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FINANCIAL TIMES

No. 26,860 Monday January 5 1976 ***10p

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NEWS SUMMARY

GENERAL

Millions in storm claims likely

Insurance companies face claims likely to run into millions of pounds after the gales and floods throughout Britain over the week-end which were the worst in 30 years.

More than 20 people were killed in the storms which went on to hit parts of Europe.

An MP is asking the Government for financial help for people whose property was damaged. The British Insurance Association said yesterday it was expecting a rush of claims from householders, most of whose policies provide cover for storm and flood damage.

The single most expensive item lost was the new £125m. cross-Mersey ferry landing stage at Liverpool, which sank after 60 passengers were taken off.

The National Farmers' Union warned that crop damage in the Midlands could have an effect on food prices in the spring. Vast areas of crops under glass were damaged. The outlook is for rainy, mild weather. Page 4

BUSINESS

Healey advocates flexible pay policy

MR. DENIS HEALEY, Chancellor of the Exchequer, declared yesterday that a "much more flexible" pay policy would have to be negotiated with the unions when the present £6 limit ends in July.

In an interview on Thames Television's "Weekend World" Mr. Healey admitted that the unions were unlikely to accept a flat rate limit at a time of high unemployment. In order to overcome the problem of anomalies and differentials he advocated a more flexible policy similar to the one that had worked in Sweden for 20 years, in any event there would have to be a continuation of the voluntary policy in the next pay round "and probably the round after that."

IMF Ministers meet this week to agree a package of international monetary reforms including sale of part of the IMF gold holdings and the setting up of a fund to aid developing countries with balance-of-payments deficits. Back Page

More action

The daring night-time tawling action of the gunboat Aegir against two British trawlers at the weekend appears to presage stepped-up Icelandic action on all fronts—physical, political and diplomatic—a new phase of the cod war. The action was applauded by Icelanders who are preparing for a long and hostile confrontation, writes our Reykjavik correspondent.

Tough Thatcher

A tougher Tory line in an effort to force an election this year was promised yesterday by Mrs. Thatcher. She said in a radio interview that she wanted to bring down the government as soon as she could. Back Page

Attack claim

South Africa's leading Sunday newspaper, the Sunday Times, claimed yesterday that a force of 12,000 guerrillas, backed by seasoned Frelimo troops, is ready to attack Rhodesia from Mozambique. It said the attack was imminent, timed to coincide with the talks between Mr. Smith and Mr. Nkomo, reopening to-day. Page 3

Moro's last days

The days of the minority coalition administration of Italian Premier Aldo Moro look even more clearly numbered as the Socialist Party prepares on Wednesday to endorse its leadership's decision to withdraw support. Page 5

If at first...

The French FT Clipper Race competitor Krier II, rudderless in Sydney, is to continue the race after repairs have been completed. Page 25

People and places

Weekly premium bond winner in JAN 1967/77 lives in Hertfordshire.

The Q&E is heading for Norfolk, Ireland taking on water after this rapping a coral outcrop in the Brieamas.

William Willett, the Duke of Edinburgh's private secretary, is to be replaced by a young man, two of whom, European junior Lord (Lynn), became the first to win a game in the sale of the tournament at the 1975 Chess Contest.

Miss Mops in Britain's cleaning firms—they work harder and use more sophisticated methods, companies say.

Homeless in England and Wales have doubled since the early 1960s, with year-old babies most at risk. Most killers are men in their 30s.

Lord Chancellor Lord Elwyn-Jones has advised magistrates to be tougher with football hooligans.

Organisers of the 1976 Winter Olympics at Innsbruck in February, fear there may not be enough snow.

Australian begin the third day of the fourth Test at Sydney in a difficult position with only 164 in reply to West Indies' 355.

Sit-ins and strikes at several plants

4,500 steelworkers in protest at BSC economy drive

BY ROY ROGERS, LABOUR CORRESPONDENT

Some 4,500 steelworkers yesterday staged sit-ins or strikes in protest at the British Steel Corporation's planned £200m. economy drive, which is designed to arrest losses of £8.4m. a week and ultimately involve the disappearance of more than 44,000 jobs.

Yesterday's spontaneous demonstration, centred in South Wales and Shotton, had little effect on the corporation's output and most of the workers involved are expected to return to work today. But it is a symptom of the depth of feeling among steelworkers and indicates possible massive unrest if the BSC goes ahead with the next stage which involves the suspension of the guaranteed week agreement.

This move, which would allow men to be sent home without pay when there is insufficient work available, is scheduled to be introduced from the end of the next week for men with less than five years' service. Other items in BSC's package, which will include the temporary closure of older, less efficient plants, are due to be brought in progressively.

Last night Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, and chairman of the TUC steel committee, said that he still hoped that the BSC would not go ahead with its unilateral abrogation of the guaranteed week agreement.

However the BSC Board, which meets this morning to consider the effects of the cuts package, seems unlikely to make any significant change in its plans and the main chance of averting more widespread action in the industry rests on a meeting between the corporation and the unions on Thursday.

BSC has offered to maintain the guaranteed week agreement if the unions pledge they will eliminate unofficial strikes— which cost the BSC about the same as the guaranteed week agreement—but so far the unions have been unable to give such an undertaking.

Threat

Before Thursday's key meeting relations between the two sides could well deteriorate further as a result of pay negotiations due to-morrow. The ISTC, the industry's largest union, wants the BSC to honour a clause in its current 18-month pay agreement which allows for cost of living based pay rises of at least 5 per cent from January 1.

Given the financial standing of the industry, the BSC is understandably reluctant to agree to any measures, that will add to costs and this issue could well sour the atmosphere still further between the BSC and the traditionally moderate ISTC.

Even so when the ISTC national executive meets to-morrow Mr. Sirs hopes to be able to head off any calls for official national strike action which would clearly be counter-productive.

Yesterday's unofficial action was sparked off when the BSC carried out its threat to cancel some unnecessary premium weekend shiftworking. Men who reported for work at the Llanwern, Trostre, Volkmere and Ebbw Vale plants in South Wales and at Shotton, Stoke-on-Trent, in accordance with union instructions, "sat in" when told that they would not be paid.

Those "sitting in" were replaced when shifts changed over and at Llanwern and Ebbw Vale some were given work by foremen sympathetic to their cause. But in the main they sat around reading and talking.

Continued on Back Page

Government attack on IRA may finally end ceasefire

BY GILES MERRITT

AN ANGRY attack on the Provisional IRA by the Northern Ireland Office at Stormont Castle could result in the formal ending of the Provisional IRA's 12-month ceasefire.

The clash stemmed from the reiteration by the Provisional IRA Belfast brigade of its New Year warning of a stepped-up campaign on Saturday with a statement that the "Republican Movement's Revolutionary Army" is standing by ready to fight any "British attempt to force another puppet Parliament in Ulster."

The Northern Ireland Office response yesterday was that the IRA warning was theatrical, unreal and self-justifying, and that it had thrown a challenge to the community which would be met by the due processes of the law.

The Government said the Belfast brigade had created "a record of murder, destruction and bloodshed, which would be hard to beat." The Provisionals now appeared to want to bring the province another bloody New Year.

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Waiting

The open clash between Stormont Castle and the IRA could herald an intensified wave of republican terrorism in Ulster and mainland Britain. It marks the formal end of the Government's conciliatory policy of maintaining discreet contacts with the Provisionals.

The row emphasises, too, the tension in Northern Ireland at the province enters the last week of waiting before Mr. Merlyn Rees makes his statement next Monday to the House of Commons on Ulster's political future. This week-end, the increasing tempo of violence due to the uncertainty has claimed 43 people injured in three separate incidents, and the nature of the violence has made it all too clear that Mr. Rees's anticipated endorsement of direct rule, accompanied by a last-ditch attempt to revive the failed constitutional Convention, will be bitterly opposed by militant Loyalists and Republicans alike.

At the same time, Unionist political leaders have emphasised that the war probably bought a "Phase 2" Convention if it is not a reconsideration of the Convention's majority report in November rejecting power-sharing with the Catholic minority.

The security forces are increasingly concerned that this political inflexibility could give rise to a dangerous upswing in Protestant terrorism from within the Loyalist para-military "private armies."

The uncertainty created by the Government's protracted month's study of the Convention report and the conviction on both sides of the sectarian divide that Mr. Rees has no fresh initiatives to make—has in recent days led to increased activity by extremist splinter groups in both communities.

In what is feared as the beginning of a Ulster-wide revenge war involving rural pubs in Northern Ireland, the ultra-extremist Loyalist, Red Hand Commandos has said that it carried out Saturday's no-warning reprisal bomb attack on a Catholic-owned bar in South Armagh which injured 17 people, while in Portadown, Co. Armagh, 23 Saturday night customers at a Protestant-owned pub were also injured in another no-warning bombing.

White House studies Soviet call for non-intervention in Angola

BY DAVID BELL

THE WHITE HOUSE Administration is closely studying a major editorial in Saturday's Pravda calling for the end of "foreign armed intervention in Angola," to see if it is the first sign of a change in the Soviet attitude towards the war in the former Portuguese colony.

In a week-end interview, President Ford said he did not know if the editorial indicated a new Soviet willingness to end military support for the MPLA, one of the three factions involved in Angola.

"I don't believe we can say categorically that that is their intention," he said. He added that Soviet involvement in Angola was "inconsistent with the aims and objects of détente and we are making some headway."

State Department officials are to-day divided about the true significance of the Pravda piece which was also carried in full by TASS, the Russian news agency—a traditional sign that it is considered by the Soviet Government to be significant.

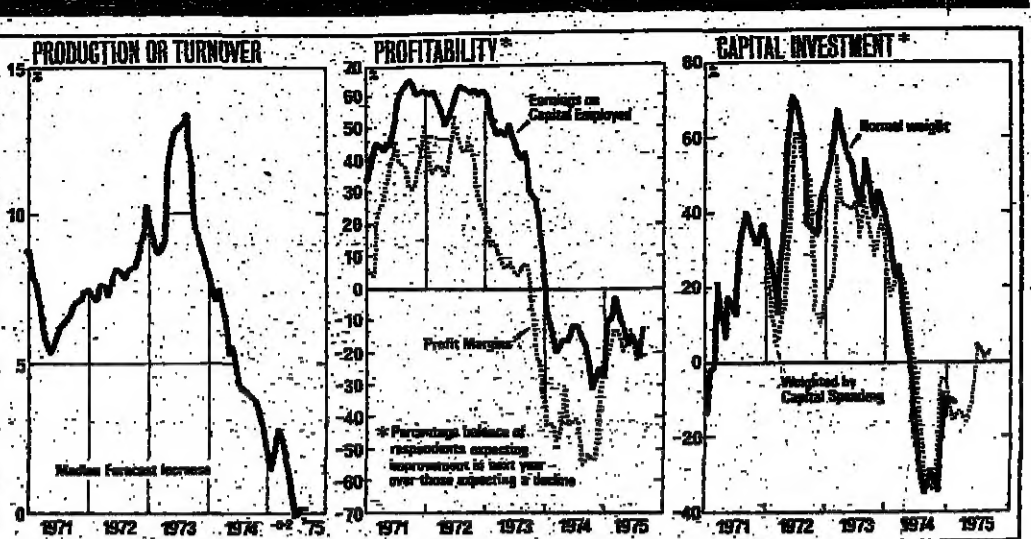
Some officials say that the editorial is aimed at this week's meeting of the Organisation of African Unity and that it actually represents no change in Russian policy. On the other hand some experts say that this is the first time that the Soviet

Challenge

Yesterday Mr. Ford compounded the confusion by asserting that the U.S. is not training foreign mercenaries but then clearly avoiding a question about possible U.S. finance for the training of mercenaries by other countries, he would only say: "We are working with other countries that feel they have an interest in giving the Angolans an opportunity to make the decisions themselves."

It emerged to-day that Mr. Ford is already facing a fresh

FT Monthly Survey of Business Opinion



Industry more confident

BRITISH industry is more confident about the general economic and business climate than at any time since November 1973, in the early stages of the oil crisis.

This is shown by the latest Financial Times monthly survey of business opinion, which on this occasion has surveyed in depth the views of three industries—mechanical engineering, brewing and distilling, and paper and connected industries.

It has to be emphasised, however, that the recent recovery in business confidence is more a reflection of the depths to which confidence had previously sunk than of any new surge of optimism. By the past standards of this survey, confidence remains at a tender stage.

The three main reasons for view being that prices in the next 12 months will still go up another 15 per cent. or so. Again, while the latest forecasts for output and raw materials stocks indicate expectations of a recovery in demand and output, it is an open question how much of this will be experienced in the course of 1976.

While not pointing to any further falls in production, our survey suggests that there will be virtually no increase over the next 12 months.

This has ominous implications for employment in 1976. Meanwhile, the balance of opinion with regard to the prospects for earnings on capital employed this year is that they will continue to decline by the end of this year, the general

Details Page 25

EARNINGS ON CAPITAL

4 monthly moving total December 1975

Those expecting earnings during current year to:	Sept-Dec '75	Aug-Nov '75	July-Oct '75	June-Sept '75	Eng'g. (non-elect.)	Brews. & Distill.	Paper & Publishing
Improve	27	25	30	29	4	49	12
Remain the same	24	19	19	21	7	51	22
Contract	39	47	45	47	81	—	39
No comment	10	9	6	3	8	—	27

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Esperanza £2½m. for Hankey

BY MICHAEL LAFFERTY, CITY STAFF

Esperanza Trade and Transport, assets, including cash, and quoted the international insurance securities of about £1m.

The chairman of Esperanza is Lord Kisen, chairman of Guinness Peat Group, Guinness Peat, which has a 20.3 per cent holding in the company. The Hon. Jacob Rothschild, chairman of Rothschild Investment Trust, which has a 15.1 per cent stake, is also a director.

The Guinness Peat companies have reported pre-tax profits for the six months to September 1975 of £1,075m. Interim results, Page 20

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12 MBARD

Madame Natavski prognosticates . . .

BY I. C. GORDON TETHER

IN RESPONSE to overwhelming demand, Madame Natavski makes her annual visit to the Lombard Colours to-day to enable readers to all themselves of her astrological know-how in preparing for the year ahead. The continuing accuracy of her predictions has once again resulted in her being voted "Astrologer of the Year" by the Star-gazers Club. And under increasing pressure to "get it right" leadership forecast.

Readers will recall that a year ago she confounded the official prognosticators by asserting that the world recession would intensify in 1975. She also predicted that at oil-producers would become more conciliatory and that, after some initial setbacks, gold would benefit from the completion of arrangements to bring the metal back into the monetary picture. In addition, she warned anti-market forces that they would have to ensure that the EEC referendum was not held until the second half of the year if they wanted to have the stars on their side. Here is her computer-related 1976 scenario:

Inflation

"The Earth's trajectory is at long last carrying it away from the most disastrous of all constellations—The Slough of Despond. But it has to be recognised that this group will be continuing to exert a considerable influence on the world economic situation through the greater part of 1976. So I cannot promise anything more than a very slow recovery for the planet as a whole. Again, the fact that the Third World's patron star—Tertius Globus—will be frequently exposed to heavy punishment from the mischievous Planet Mars, suggests that developing countries are not going to derive much benefit from any overall improvement.

"With Pecunia, the monetary star, still being dragged along in the wake of Pegasus, the winged horseman, I don't think we can count on any really substantial abatement of global inflationary pressure. Indeed, we could well see it waxing again as Pecunia passes through the Bankarites, a highly volatile and aggressive group of meteors considered to be the embodiment of the American financial establishment.

"For this and other reasons, it looks as though we are in for another stormy year in the international monetary sense. The one consolation is that, having itself successfully defeated a

prolonged attack by the Bankarites, Aurum Magnificum, gold's astrological symbol—is now very much in the ascendant. "The fact that Aurum will be moving during 1976 towards a convergence with Stabulus, the sheet-anchor of this part of the heavens, strongly suggests that we are going to see increasing enthusiasm for letting the metal feature prominently in monetary stabilisation arrangements. That should mean that we will hear no more talk of an impending new slide in the market price. But it could also mean that the potential for upward movements will also be fairly limited for a while.

Those who have been hoping that, with the British referendum out of the way and the world economic storm showing some signs of abating, the Common Market unification operation would start taking large strides forward again are in for a disappointment. Eurocratium Bruxelles, the Community's "adopted" stellar emblem, is shortly due to go into orbit round Devoivus, a star whose separatist processes has long been established—it "presided" over the secession of Britain's American colonies two centuries ago.

With Octopus, the multi-nationalist star, moving into the sign of Scorpio, one can certainly expect a considerable hotting up of the debate on its role in the world's economic life. But the highest astrological centre on the candelabrum will be national political wheeling and dealing that—according to recent disclosures—has been playing a far larger part in shaping world affairs than anyone realised. For the highest astrological star, the moon, will shortly be emerging into the full glare of the sun.

At home

"I shall conclude with my customary brief astrological appraisal of the British political outlook. It is quite clear that the Prime Minister is going to experience considerable difficulty in holding on to his office. For Scilla, the star identified with his holiday retreat, will be all but confronted during the year ahead by Aquila Confidens, the eagle divided against itself. "As for the other main party, the close proximity of sailor's star Neptune to Phoenix constitutes an unmistakable indication that Mr. Heath will be continuing his efforts to make a comeback. What, however, is one to make of the fact that Neptune is due to be eclipsed in the later months of 1976 by nothing less than the stellar manifestation of lady politicians—Loquacia Femella? It is a most intriguing prospect."

THE WEEK IN THE COURTS

Much to be done to cut cost of criminal process

BY JUSTINIAN

ONE OF THE main factors in the cost of crime is the amount of money expended by the public purse on the prosecution and defence of accused persons.

The total bill for criminal cases in all the courts in 1974-75 was £24.54m. The question raised in the January issue of the Criminal Law Review by Mr. Michael Zander, Reader in English Law at the London School of Economics, is whether legal aid in criminal cases gives the public value for money.

Mr. Zander proposes two changes in the present legal aid scheme for criminal cases. He suggests there should be a permanent advisory Board to supervise the legal aid scheme in criminal cases.

Legal aid in civil cases, which comes under the control of the Lord Chancellor and is administered by the Law Society, is supervised by a broadly-based Advisory Committee.

The criminal legal aid scheme, on the other hand, is run by administrators in the individual criminal courts; it lacks any centralised direction, and the Home Secretary, who is ultimately responsible for determining the amount of lawyers' fees, has no advisory body.

Public accountability for the scheme would seem to warrant some kind of independent supervision. Such a proposal was rejected by the Home Office a few years ago, but there are signs that the bureaucrats are relenting under pressure.

Independent

Mr. Zander's second proposal, that there should be an independent inquiry into lawyers' fees, is rendered unnecessary by Mr. Zander's own researches into lawyers' fees paid out of public funds.

Those in the profession who have entertained doubts how they would fare from a polemical researcher's study of fees must feel reassured by what has now been revealed.

The average daily earnings of barristers appearing in Crown Courts are £150 for Queen's Counsel and overall for junior counsel about £80.

The calculation of average

annual earnings shows that the leaders of the profession—the 200 or so Queen's Counsel—earn up to £25,000 and a few may even exceed that amount. Mr. Zander sets these earnings against a list of annual salaries of public servants.

He observes that "successful juniors in their middle and late thirties were earning more than senior civil servants and many Queen's Counsel were earning more than High Court judges. Some earned more than the Head of the Civil Service."

There is a growing recognition that the criminal law and the criminal courts are over-used, that too much conduct has been swept within its scope, that the courts are too large, that the system is too inflexible, that the prosecution of serious crimes, and that altogether too many people are treated too severely or too ineffectively.

This over-use is not confined to less serious offences. Where serious crime is detected, too often too many people are faced with prosecution. Prosecutors display insufficient discrimination between the main participants in crime and those who are fringe supporters.

Some of the most able practitioners have been lost to the legal profession, and are holding down jobs that carry remuneration vastly in excess of what they would have earned at the Bar, and without the excessively long hours of work and the worry that illness might spell disaster to their professional career.

It is very much in the public interest that high rewards should be available to maintain a vigorously independent and prosperous Bar, without having to satisfy the inordinately rapacious.

But if there is little to be perturbed about the earnings of barristers, there is much to be done to cut the cost of the criminal process.

Morass

There are nearly 60,000 cases committed for trial every year at the Crown Courts; another 13,000 offenders are sent there by magistrates' courts for sentencing. Since there is no unified prosecuting system, there is no overall policy designed and

controlling those who decide who to prosecute.

In another context, Mr. Zander himself has pointed the way out of the morass that is engulfing the criminal courts and over-whelming the prison system.

As chairman of a working party set up by the National Association for the Care and Resettlement of Offenders, he has advocated early intervention in the prosecution process by the probation service so that charges could be withdrawn in favour of some community treatment.

Large numbers of offenders could be diverted from the penal process without any lessening of the impact of social intervention in the offenders' lives or on the general crime rate.

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Pacifists

A classic instance was the prosecution at the Old Bailey last month of the 14 pacifists for conspiring to endeavour to seduce soldiers from their duty or allegiance, after a trial lasting 51 days and costing an estimated £1m. to public funds.

Even if the prosecution was justified, it was quite unnecessary to charge more than a handful of the leading figures in the British Withdrawal from Northern Ireland Campaign.

The system should be redesigned to syphon off that conduct that is tolerable, and concentrate on that which is intolerable.

All this points once again to the need for a thorough review of the nature of the criminal process in England. It is a system which has served the cause of justice well in the past; but it may not be sufficiently inexpensive and efficient for a modern society that faces a constant threat to law and order.

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MOTOR RACING

BY BRIAN AGER

Need for a farceless year

PROSPECTS look bright for some or a biased Italian—who would forecast that Ferrari would repeat its runaway success of last year. Niki Lauda's feat of winning three races in a row for the Italian team is unlikely to happen again in 1976.

Lauda will be battling to restore the glory of France in Formula 1. Jacques Laffite, who won the French Grand Prix last year, is another driver who will be remembered after most of the races are forgotten. What the sport needs is less rows and more racing.

And 1976 has not started well. The Argentine and South African Grand Prix have been cancelled because the organisers could not afford to stage them.

Even if a circuit owner can meet the fee of \$250,000, the race asked by the Formula 1 Constructors' Association—the entrants—"trade union"—they may be faced with further huge expenses to make the circuit safe.

And every year new safety ideas are trotted out.

Moves to cut this cost by making the cars slower through corners were stamped on firmly by the FIA, which seems to have taken charge of the sport.

Regulations for the cars are practically unchanged but a constructor after another has unveiled a new model. The most recent is the Ferrari 312T, which is at least as fast as the 312B.

This flood of new cars means that it would be a brave man who predicted that the new world champion will be male.

James Hunt—who built up his reputation with Hesketh before that team closed through the sport's most popular ambassador, Graham Hill, and his talented driver Tony Brise. This has meant the end of the Embassy/Williams team.

Nine different drivers won the Grand Prix in 1975—which shows either a depth of talent or the lack of a real star in the class of Jackie Stewart. But Formula 1's only female driver, Lella Lombardi, never looked like winning in International Women's Year. There seems only one safe forecast for this season—the new world champion will be male.

Another driver will be seeking a "home win" in Brazil, Carlos Pace, who won the race last year.

He and Carlos Reutemann were the drivers who helped to make Brabham the second most successful team after Ferrari.

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RUGBY UNION

BY PETER ROBBINS

Not such a clear superiority

ENGLAND BEAT AUSTRALIA 23-6 on Saturday, perhaps suggesting a clear superiority, but in fact it was rather illusory. Still, it was a win, and for that England supporters are thankful. The light at the end of the tunnel is still some way off. It will surely be a different matter when Wales come to Twickenham in two weeks' time.

In three clearly defined phases of a rather shapeless game, England first seized the initiative for almost all the first half. After the interval, Australia swamped them with banding attacks before they recovered in the last 15 minutes, scoring 14 points in six minutes.

The wind made the line-out difficult, but England's pack provided enough ball from the scrum to attack in the first half. Lampowski broke through, and was protected by Ripley, who probably had his best game ever for England. Neary also played intelligently and to great purpose. But the glaring deficiency of the England pack was at the tackle, where the carrier either lost the ball or pushed it back into the scrum.

Burton and Cotton both made good plays of the ball, and with Wheeler winning the strikes 4-0, the England front row had a good-if at times uncomfortable day.

In their early supremacy, poor centre play let the side down. Corless made three serious errors, the first of which was ignoring Squires; next giving him an untakable pass; and then kicking ahead with a double overlap outside him. He made up for these errors by scoring a try, fashioning one for Duckman, and some superb tackling.

The trouble with England's back play was that only once (with Hignell in the line) did they really move quickly over the ground and give snappy passes.

When Australia attacked in the second half their limitations were exposed. Tony Shaw and

Corless were indefatigable in support of the back, but the play was not revival to revival with no real penetration in between. It was ball-and-back-passing, and so dependent on McLean and Batch that once these two were out of things, any sharpness went out of the attack.

Yet the Australian pack did well in the scrums, and one had to admire their collective spirit and competitiveness, particularly that of Smith, and the back row of Shaw, Corless and Loane.

Horton, the hooker, had a dashy game in the loose, but Maxwell perfectly Maxwell gave Dave Galt a bit of room, but the winger still had to hand off Batch. McLean kicked a second penalty for England, to which Hignell replied in kind.

Gloucester were unable to stretch a well-organised defence which could take time to watch them scurrying about, setting up an attack, before running into a dark blue wall of solid tackles. In the set scrums, the heavier Gloucester pack was able to shove the opposition backwards, and open up the far more fragile defence.

At no time did this Gloucester side fire into line, and Scottish kept up the pressure to add tries to their tally. In the 30th minute by Lawson, who caught all the defence running from him and darted over from 10 yards to complete Gloucester's misery.

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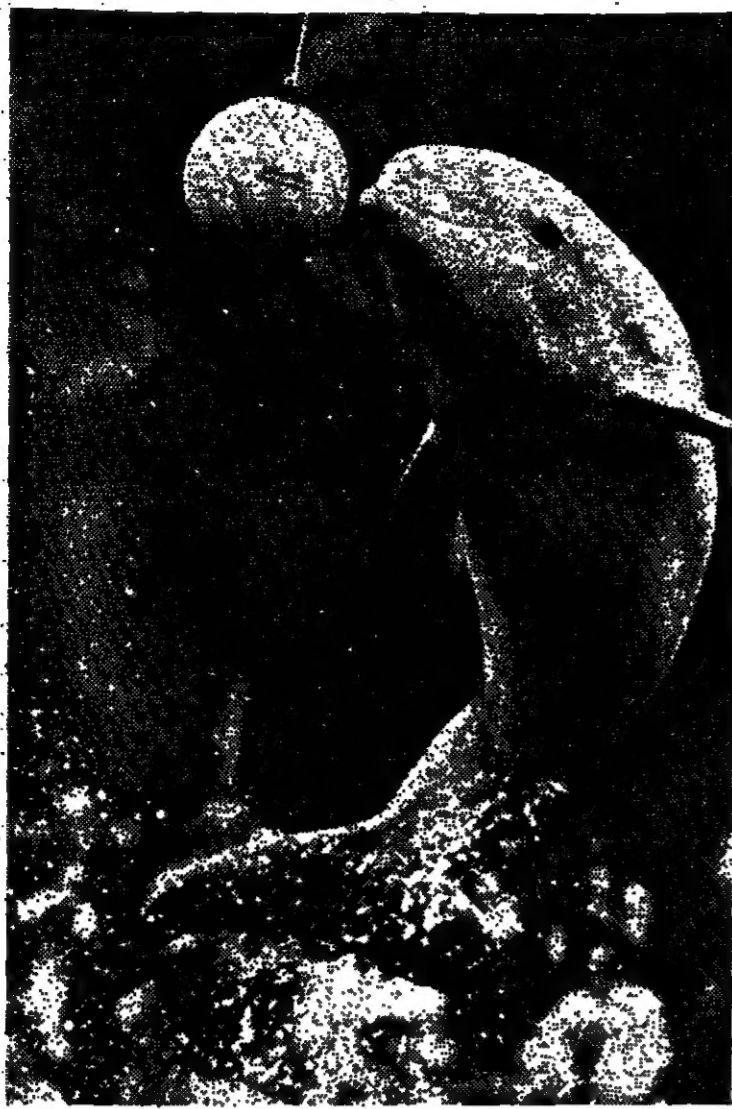
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At no time did this Gloucester side fire

Water Creatures

by ANDREW PORTER



Marine life in San Diego—left, Kathryn Bouleyn as Rusalka; right, Aphrodite, a Sea World dolphin

San Diego, in southern California, close to the Mexican border, does some manufacturing. It is an important navy base. Above all, it is a place that attracts its visitors an extraordinary number of fun things.

From December to February, the Californian grey whales, from their summer stay in the Bering Sea to their breeding grounds in the bays and lagoons of lower California. The migrant was sighted during a visit but, alas, the boat trip to accompany the whales on part of their journey had not yet started. There were many other things to see. The San Diego Zoo is famous, and it is beautiful. There are also some of the most beautiful scores of Wagner once said that any small living was dearer to him in mankind. (Would he have included cockroaches, which are taken for granted? To me, I once made a fuss in Istanbul hotel because I found a roach in my bathroom. New York bathroom scuttles a roach.) In San Diego's Sea World, the land is again beautifully planted. The intelligent creatures who are there—dolphins, killer whales, seals, sea lions—should be so friendly and cooperative with people. (Were not dolphins used to be tamable and user off mines?) But friendly they are. In a setting pool, whales are come up to be fondled. Two of killer whale leaps up to kiss a brave volunteer from audience at a show where he was his "trainer" to ride him the bottom of the pool and leaps high above the

water. So to a day spent at Sea World, a performance of Dvorak's *Rusalka*, given by the San Diego Opera, was a natural sequel—the tale of another beautiful, intelligent, attractive creature rising from the water to make friends with man.

This was the American professional premiere of *Rusalka*, although a week or two before the Juilliard American Opera Company (roughly the equivalent of the London Opera Centre, a training-ground and showcase for singers on the first steps of a professional career) had also given the piece. *Rusalka* is a very difficult opera to bring off. Sadler's Wells tried it in 1969, and then dropped it. That it is one of the most beautiful scores of Wagner once said that any small living was dearer to him in mankind. (Would he have included cockroaches, which are taken for granted? To me, I once made a fuss in Istanbul hotel because I found a roach in my bathroom. New York bathroom scuttles a roach.) In San Diego's Sea World, the land is again beautifully planted. The intelligent creatures who are there—dolphins, killer whales, seals, sea lions—should be so friendly and cooperative with people. (Were not dolphins used to be tamable and user off mines?) But friendly they are. In a setting pool, whales are come up to be fondled. Two of killer whale leaps up to kiss a brave volunteer from audience at a show where he was his "trainer" to ride him the bottom of the pool and leaps high above the

Philo Otto Runge, were too often turned into prose by the dull acting of the principals; and in a small theatre acting deficiencies become doubly noticeable. On the other hand, the San Diego Civic Auditorium is, by European standards, a very large theatre, seating three thousand, and so it was hardly a suitable home for a cast, on a rough, a Bremen or a Kent Opera scale. But the heroine, Kathryn Bouleyn (Straussburg's Luisa Miller this season) had an aplomb, voice, and had a clearly projected tenor. One could hear them. One can hear the singers in most of these enormous American opera houses. But there is a lack of dramatic impact.

Both the New York producer, Mont Yekim, and the San Diego one, Tito Capobianco, had hit the idea of assigning the roles of the witch Jesibaba and of the Princess who ousts Rusalka from the Prince's affections to a single singer. (In Dvorak's score the roles are designated for an alto and a soprano, but a mezzo can compass both.) Not really a good idea; it suggests that the lovers are the victims of an evil genius rather than of the "tragic incompatibility" that gives the recurrent Rusalka-Ondine-Sylphide-Little Mermaid myth its point. In a quest for coherence, Mr. Capobianco went further and cut out altogether the two comic characters, the Kitchenboy and the Gamekeeper, and with them the episodes of light relief in Dvorak's most robustly Bohemian vein.

This represents a large change from the composer's idea, and raises a large issue: whether, when there are thousands of operas unperformed, and dozens worth performing, it is wise to choose for revival a piece that is the director's view needs major surgery. The answer could be yes if Mr. Capobianco and Theo Alcantara (who conducted a flexible, delicately spaced performance) are right in believing that the romanticism is worth keeping but that the comic or down-to-earth episodes are just tiresome. Similarly, someone might decide to stage an *Anthony* without Enobarbus, or a *Magic* without Papageno.) But if—as has been suggested—the New York City Opera takes over the production, which has deficiencies, fanciful settings by Santo Loquasto, I think the Kitchenboy and the Gamekeeper should be restored.

At the Juilliard, Faith Esham's Kitchenboy was dearest performer. In both productions the Water Goblin was sonorously sung in New York by Willard White (a Jamaican bass who comes soon to the Coliseum), in San Diego by Spiro Malas, but neither of them sounded quite sorrowful enough. The Juilliard used a doggerel translation by Ruth and Thomas Martin, and San Diego a doggerel translation by Walter Ducloux.

Covent Garden

Manon

by CLEMENT CRISP

A very happy New Year at the Opera House last Thursday, when Lynn Seymour and David Wall made their débüt as Manon and des Grieux, with Anthony Dowell appearing for the second time as Lescaut. The Dowell/Wall exchange of roles is a splendid matter: Wall has the innocent ardour, the youthful passion that make excellent sense of des Grieux's infatuation; Dowell, cast absolutely against type, is vicious, calculating, with a pallor that bespeaks the complete débauché.

For Lynn Seymour the evening, not surprisingly, is also a triumph. Because MacMillan choreography, whether made for her or not, seems to hear its imprint of Seymour's movement quality. The dances are warmed and made emotionally sonorous by her presence. She looks from the very first moment a creature ripe for the Régence flesh-market, and it is the special distinction of her reading that she conveys the close relationship that exists between brother and sister. She and Lescaut are made of the same metal, their mutual understanding seems almost incestuous, and through-out the ballet there is a double attraction at work on the girl—that of des Grieux's honest love in conflict with the glittering lures of Lescaut's world of bodies bought and sold.

Miss Seymour looks the part to perfection—a Boucher come to life—with kittenish charm and the depths of a raindrop. The quelling of des Grieux for G.M. is lightly done, and the impulse that brings her back to des Grieux just before the card scene in Act 3 is just as heedless. The moral of the evening is the moral of the first scene, and the dances here and at the party are fluent, pretty in outline, delicately dramatic. There are no great depths of emotion called for, but in the closing sections Miss Park finds resources of passion and suffering that make every dramatic point. Mr. Nureyev's muscularly accented style does not sit easily on the long lines of choreography that were made for Dowell's lyric beauty. But his reading is carefully worked out, and there is a sure emotional understanding curling in amorous delight; with his Manon that gives the love scenes real allure.

The nearest among this team to a complete artist was the soprano, Margaret Barry, who offered one each of Handel, Pergolesi, Strauss, Rakhmaninov, Turina, and Irish trad. She sang them from the point of view of voice production very well, with the best platform manner of any of these performers, but any hope that the wide choice would prove versatility was dashed because moderate diction in all the languages concerned made every thing sound the same. Two singers who chose complete works rather than nosegays were the baritone Michael Shepherd, who showed insight and musical feeling in the Four Serious Songs of Brahms, and the bass John Rath, whose striking but too uniformly-coloured voice was not over-parted by Musorgsky's *Songs and Dances of Death*. Mr. Rath had the advantage of the only accompanist, Martin Holland, to reach a standard acceptable in this hall.

There were degrees of shyness among those who had no difficulty in putting themselves across were Alexander Mercer (mezzo) and Paul Arden-Griffiths (tenor). Unfortunately both showed signs of vocal problems. Miss Mercer won a good mark for not dawdling through Faure's "Les Roses d'Ispahan," which can so easily droop, but she must work hard to conquer an ugly flutter in the tone. Mr. Arden-Griffiths, who has proved his versatility in the opera house, was showing signs of nasal bleat, and a mannerism of finishing each song with a smirgle.

In the last-minute absence of the Athenaeum Ensemble (whose presence would have made the programme much too long) there were two instrumentalists. Penelope Thwaites, a pianist from Melbourne, played a Sonata by Margaret Sutherland, an Australian pupil of Bax. The first two movements have a concision the master did not always achieve himself, the finale is brilliant. The hammer-tones assault on Debussy's "Jardins sous la pluie" made one wonder if it ever rains in Australia. One of the pleasures of the evening was the straightforward, perfectly in tune flute playing of Stephen Bright in three pieces by French composers.

Wigmore Hall

A Musical Soirée

by RONALD CRICHTON

Peter Freeman and Stephen Mead justify their Musical Soirées at the Wigmore Hall, of which Saturday evening's was the second on the grounds that a "mixed bag" evening with several artists playing a miscellaneous programme has greater appeal to many than full-length recitals. They don't mention another, possibly more important advantage, that there are quite a few young artists deserving a hearing who are not ready for a complete recital. And the advantages do not, I think, outweigh the familiar disadvantages, that one is necessarily left with an incomplete impression, and that few, especially among the younger ones, can wait up in such a short time, let alone establish that rapport with the audience that comes gradually—often eminent and experienced recitalists only really relax when they reach the encores.

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By ANTONY THORNCROFT

Bad Company

The familiarly fetid smell of hot dogs and the sound of empty beer cans being clanked over the tell-tale signs that the first of the Grand Hall at Olympia was being given over to a pop festival. For four days last week around 30,000 people suffered hours of pain for minutes of pleasure at the Great British Music Festival.

As these things go Olympia was not a bad venue. If you were weary of trying to see the bands at close range there were plenty of seats to rest upon; there was a wide space at the back for kicking cans; and you could promenade all around the arena, though the stalls selling records, posters, clothes, propaganda, etc. which should have added a bit of bustle, were starkly absent—a sign of the times.

Basically Olympia is a dreary, unloved pile of concrete—in fact the ideal setting for some dreary unloved music. It is a nice idea having concerts showing off home-grown talent but it soon became obvious that we lack enjoyable, cheering, musical bands—or we did last week.

Top of the bill was Bad Company, one of those inexplicable bands which became a super-group apparently before it was created. With only a couple of albums and very infrequent visits to the U.K., this British quartet, thanks to a reputation for female persons?)

Festival Hall

The Nutcracker

by CLEMENT CRISP

A Christmas tradition now as hallowed that it might have been introduced by Albert the Good with the Christmas Tree is the Festival Hall's *Nutcracker*. The production, under various guises, is nearly as old as the company itself, and the time is surely fast approaching for a complete renovation; at the present moment it looks like the last and rather seasonal of festive—a litter of tinsel, pine-needles and splintered glass baubles. My sympathies are with Festival's artists, who are sprightly over and above the call of duty on a twice-daily diet of charm and fever-waiting as little demon performing for all the world like the Infant Roscius as Richard II.

On Friday night when I attended the Eleusinian mysteries, Elisabeth Terabust and Patrice Bart were in fine form as the Sugar Plum Fairy and her Prince. Miss Terabust's clean, dignified dancing, M. Bart's bounding virtuosity, generated real excitement, and given the proper Ivanov choreography they would look even better. The supporting company did what they had to do with a will—Terry Hayworth a mysterious Drosselmeyer, and John Travis exceptional as the mechanical soldier doll, Master Toby Kettle was appallingly right as Fritz—a shock-headed

But what choreography as survives has a care-worn aspect, and I feel it a shame that Ivanov's lovely pas de deux in Act 2—in which Markova and Dolin were once grandly classical—is now shown in so coarse a version. This is something which ought to be permanently preserved, in whatever staging, and it should not be beyond the wit of dancers memories to try and restore the Ivanov show-fakes sequence which Nicholas Sergueyev mounted for the Vio Wells ballet in the 1890s. We owe it to the past, to what the *Nutcracker* once was, to retain these fragments of genius.

Ferry-boat as art gallery

The Tattersall Castle, a paddle-steamer ferry-boat, is to be moored permanently at Westminster Pier where it will serve as an art gallery. It will occupy the last berth on the north bank of the river near to Westminster Bridge.

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December 23, 1975

HOME NEWS

National power tariff plan studied

BY ROY HODSON

THE GOVERNMENT is looking at the idea of having a single electricity tariff operative throughout England and Wales instead of the present system of individual tariffs set by area electricity boards.

The 12 area boards will be abolished if a new centralised management structure for the electricity industry is adopted as proposed in the still unpublished Plowden Committee report. Thus the way would be cleared for unified pricing under a central Board.

Management

The Government is expected to announce its plans for the future management of the industry in the next six weeks following study of the Plowden Report. Mr. Anthony Wedgwood Benn, the Energy Secretary, has already told the Commons that the Government accepts that the present management structure of the industry does not provide the central direction and leadership required.

The Government has not disclosed details of the Plowden Report and even senior management in the electricity industry is still guessing about its detailed contents.

However it is believed that the report recommends, and the Government accepts, that the Electricity Council, the Central Electricity Generating Board, and the 12 area electricity boards of England and Wales should be replaced by a single central electricity Board.

Single tariffs

The change would not be difficult to bring about as relatively few staff would be involved and they would mostly be people in middle and senior management positions. The new system could be fully operational by 1979-80.

As far as the industry and the public are concerned the most important change would be the probable introduction of a single tariff which would have the effect of reducing regional discrepancies.

A small number of management jobs would be affected but it is unlikely that redundancies would result. Natural wastage, retirement and job opportunities are expected to take care of temporary staff surpluses during the process of welding together the existing electricity management organisations.

Flood and gale damage will cost many millions

BY MICHAEL CASSELL

THE DAMAGE caused by the floods and gales which hit Britain at the week-end will cost insurance companies many millions of pounds.

This emerged yesterday as the country began totting up the cost of some of the worst storms to hit Britain in 30 years.

Over 20 people lost their lives in the storms which hit Britain before continuing across Europe. Many people were the victims of falling trees, walls, and chimneys as winds reached over 100 m.p.h. in places and left areas of the East Coast under several feet of water. Widespread damage to property was recorded, with hundreds of private homes affected.

Mr. Michael Brotherton, Conservative MP for Louth in Lincolnshire, where the storms

were particularly violent, called on the Government to act immediately to provide financial aid for people hit by the winds and floods.

Mr. Brotherton has asked Mr. Anthony Crosland, Secretary for the Environment, whose own constituency on Humberside suffered badly, if he will press for some form of financial assistance without delay.

The British Insurance Association said yesterday that it was expecting a rush of claims from householders in the next few days. It pointed out that most household policies provided cover against flood and storm damage and claimants should contact insurance companies, or brokers without delay.

The association is making arrangements for its regional

officials to be on hand to answer insurance problems posed by local citizens' advice bureaux and consumer advice centres.

The National Farmers' Union warned at the weekend that the winds which hit the Midlands could have a direct effect on some food prices in the spring. The Vale of Evesham, one of the country's major vegetable growing areas, took the full force of the hurricane-strength winds and vast areas being cultivated under glass were badly damaged.

An NFU spokesman said that the damage to glasshouses run into "hundreds of thousands of pounds" in Worcestershire and the surrounding areas alone. Young tomato plants and seedling lettuce were irretrievably lost and shortages could be expected to lead to higher prices.

Powell plans immigration speech

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE SENSITIVE issue of immigration, which has been in the political background for months, will return to the centre of the political stage to-day when Mr. Enoch Powell, draws attention to a large error in Home Office statistics.

Several Labour MPs warned of Mr. Powell's intention, were already protesting yesterday at the danger of highlighting the error in emotive terms at a time when race relations have been generally quiet.

Mr. Powell, United Ulster Union MP for South Down, will

return to the immigration issue in a speech at Egham, Surrey, following his discovery at the weekend that the Home Office has admitted that the net Commonwealth immigration figure in 1973 was 86,000 and not 17,000 as originally announced.

He will claim that the error was corrected "quietly" in a Commons written answer on November 7 when Mr. Roy Jenkins, Home Secretary, said that the mistake arose through double counting of departing immigrants at Heathrow Airport.

The answer attracted no attention in Parliament or the Press at the time.

Mr. Powell, and some Right-wing Conservative MPs have frequently cast doubt on Home Office statistics on net immigration totals, and they regard the written answer as a major vindication of their views.

When the Commons returns next Monday from the Christmas recess, a number of back-benchers, including Mr. Ronald Bell, Conservative MP for Bexley, will ask why Parliament was not told of the error immediately. This is the sort of experience one has been having with the Home Office all through the years. The truth has to be pried out with a chisel," he declared yesterday.

But Mr. Neil Kinnock, Labour MP for Bedwellty, thought that Mr. Powell's plan to bring up the issue again was "the desperate act of a man longing for the spotlight, which has left him in recent months."

He argued there was no such thing as a "quiet" Hansard answer, which was there for all to see. "One must question why Mr. Powell has left it for two months before raising the issue," he declared.

Mr. John Lee, Labour MP for Handsworth, Birmingham, said it was always irritating and disturbing when Government departments got their figures wrong, whether the subject was immigration or anything else. "But more important is that it is disturbing and misleading that Mr. Powell should choose, apparently, to stir this up. My view is that race relations have been gradually settling down."

Private steel makers seek Government aid

BY OUR SHEFFIELD CORRESPONDENT

BRITAIN'S private sector steel manufacturers have asked the Government if they can expect similar help to that given to the British Steel Corporation to finance steel making for stock.

Last month the Government announced a £70m. aid package for BSC to allow it to build up a substantial stockpile of steel over the next two years.

Now the British Independent Steel Producers Association have confirmed that they have asked the Government whether comparable assistance will be made available to private steel companies.

The BSC package involves a combination of low interest loans and public dividend capital. Originally, Corporation chairman, Sir Monty Finniston, spoke of a 1.5m. tonnes steel stock-

pile, but the new proposals are only likely to finance a stockpile of about half that amount.

Private sector manufacturers, many of whom are struggling to meet similar recession problems to BSC, argue that comparable aid should be made available to them. In some cases, the private sector companies produce grades of steel not available from BSC.

The problem of steel stocks, and their financing, had to be tackled if the U.K. economy was to reap the full benefit of improved world market condi-

EEC plan to keep GMT attacked

Financial Times Reporter

Proposals to harmonise summertime in all EEC countries except Britain, and Ireland have been attacked by the London Chamber of Commerce and Industry.

The Chamber has written to the EEC Commission, criticising a draft document which, if implemented, would leave Britain one hour behind the rest of the EEC in both summer and winter.

Mr. William Nicholas, director of the Chamber, argues that, in practice, the one-hour gap often means the loss of two or even more hours' contact time because of differences in the working day from country to country.

He says the question should be looked at again in the light of the obligations of the Treaty of Rome to promote commercial and governmental contacts on an equitable basis between member states.

For 15 years, the London Chamber has advocated the introduction in Britain of Central European Time (GMT plus one hour) throughout the year rather than just between April and October, he points out.

The Chamber is concerned that the Commission, by suggesting that in the rest of the EEC clocks should be GMT plus one hour in winter and two hours in summer, is now seeking to establish "a permanent gap" between British and Continental time.

Mr. Nicholas points out that most Continental offices start work at 8 a.m., with British operations one hour later. Further time is lost in the middle of the day when telephone and telefax traffic is already concentrated in narrow time bands, overloading already congested networks.

The problem of lost contact time applies to air traffic. With few flights from London to EEC countries leaving before 8 a.m., it is almost impossible to arrive at a European destination before lunchtime.

APPOINTMENTS

BP Oil Board members

BP OIL, which began business as British Petroleum's integrated subsidiary operating company for refining and marketing, has announced its Board which comprises the following members:

Mr. David S. Carr, chairman; Mr. Christopher Leitch, Mr. Alan Robertson (chief executive and managing director), Mr. Dennis Milne (deputy managing director), Mr. Derek Corbridge (manufacturing and supply), Mr. Peter Gibson (personnel and administration), Mr. Ted Harris (finance) and Mr. John Riddell-Webster (marketing).

Mr. Steel is chairman of British Petroleum and Mr. Leitch is a managing director of that company.

Mr. James Diamond and Sir James Mander have been appointed part-time members of the BRITISH STEEL CORPORATION. Mr. James Mander will become a part-time member on March 1. The appointments are for three years.

Mr. Colin M. Newman has been appointed managing director of QUALITY CONTROL INTERNATIONAL following the retirement of Mr. C. G. L. Sum. The company is a subsidiary of United Dominions Trust.

Lord Garvagh, who joined INDEPENDENT CHARTERING in 1972 as director, has been appointed executive chairman.

UBAF, of London, has made the following appointments: Mr. P. A. G. Hart, senior assistant general manager; Mr. P. J. Mason, senior manager; Mr. P. W. Edwards, chief accountant; Mr. P. O'Leary, Mr. G. A. Allard, deputy manager, medium-term finance; and Mr. A. D. Holloway, an assistant manager, medium-term finance.

Mr. T. E. Ann, Mr. P. F. Barrett, Mr. A. G. Hutchinson, Mr. P. J. Griffin, and Mr. D. C. F. Nixon have been appointed to the Board of HUTCHISON INTERNATIONAL.

Mr. A. W. Wynn has retired from the Board of MORICE TOZER and BECK (HOLDINGS) and Morice Tozer and Beck (Austria). He continues as a consultant.

STAFFORDSHIRE POTTERIES (HOLDINGS) LTD.

Mr. David S. Carr, currently the Production Director of Staffordshire Potteries Limited, the Stoke-on-Trent based manufacturer of "Kiln-craft" Tableware, has been appointed to the main board of Staffordshire Potteries (Holdings) Ltd.

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National manpower policy called for in report

BY OUR LABOUR STAFF

A NATIONAL manpower policy with publicly-stated aims and much closer co-operation between the many agencies in the employment field is called for by an independent study published to-day.

The study attacks what is described as a confusion of roles between central and local bodies, a piecemeal approach to employment problems in a fast-changing industrial set-up, and lack of agreement between Government, employers and employees.

According to the authors of the study, published by Manpower Oxford Consulting, one of the greatest needs is to make it simple for the individual to find his or her way through the maze of schemes and benefits for the unemployed run by different Government departments with different aims of the employment service.

They suggest, first, that the Government should bring together under one Act setting out the main lines of policy the many existing Acts covering manpower.

The recently-created Manpower Services Commission should be strengthened to carry out the central co-ordinating job and draw up a manpower budget—something Britain lacks compared with West Germany and Sweden, the two other countries covered by the study.

At present, various employment measures—like the regional employment premium, the temporary employment subsidy and the recruitment subsidy for school-leavers—were in some ways inconsistent with such MSC schemes as employment transfer, job creation, training and placement.

"A great deal would be achieved if the individual faced with only one bureau—say the Employment Service Agency (an arm of the MSC)—rather than the many he has to deal with." At the same time, the agencies could retain their separate existences.

The MSC also proposes greater participation by users and employers in local manpower planning, more authority for local agency offices and better links with schools and careers advisers, in order to educate and guide school children into jobs with reasonable long lives.

For Active Manpower Policy, the Management Change, by William Keyser, a Tim Sharp, Metro Oxford Co. Ltd., 165, p. and p. 50p.

Merseyside seeks Government support for jobs creation plan

BY ARTHUR SMITH

MERSEYSIDE is seeking Government backing for its own jobs creation scheme.

The county council is stimulating small companies and putting sub-contractors in touch with larger companies to encourage growth.

A report by management consultants estimates that 30 of the principal local manufacturers alone could place orders worth £2m. a year and create about 300 jobs. Under a pilot scheme £300,000 worth of orders have been generated and more than 80 jobs.

Mr. James Goie, the county director of industrial development, said: "In the current investment climate it is no use waiting for companies to relocate on Merseyside. We must do something ourselves to generate growth and create jobs."

Merseyside, with an unemployment level of nearly 10 per cent, in the special development area, has been campaigning for the Government to provide advanced factories in urban renewal areas in order to promote locally generated growth among small companies.

Register

The first pilot scheme, at Rock Ferry, where 75,000 square feet in 18 units is to be provided, will enable Mr. Goie's office to "put the wheels" among local companies and arrange productions to the DO.

The county council, through Mr. Goie's office will play a much more interventionist role in local industry under the recommendations put forward by management consultants, Collinson Grant Associates.

Their report said the concept of consular grading should be promoted by the local authority

among small businesses unable to support realistic marketing and sales.

Financial support should also be sought for the DO for a project in which between five and eight small companies would agree to use common marketing, financial and industrial engineering facilities. Such a project could become self-supporting within five years, Collinson said.

Another main recommendation is for the compilation of an industrial register so that the major companies know the location, ability, and capacity of local sub-contractors.

Mr. L. Collinson, managing director of the consultants, points out that although a number of

major companies have relocated on Merseyside they have tended to look to their former suppliers in the Midlands and South for components and sub-contractors. As a result, Merseyside has lost much of the spin-off benefit of new industry.

On broader regional policies the consultants recommend an establishment on Merseyside more medium-sized firms near to the mainstream manufacturing activities and the development of fully serviced industrial sites to provide low-cost accommodation for the small and medium-sized companies.

Merseyside has been allocated £4.5m. under the Government Job Creation Project.

Transport Boards sell expertise abroad

THE NATIONALISED TRANSPORT industries are expanding their activities internationally, in transport consultancy. Their earnings are rising for losing enterprises like British Rail, the National Bus Company and the National Freight Corporation.

London Transport expertise is also in demand by transport authorities in many parts of the world.

British Rail's consultancy company, Transrail, is working in 25 countries. A freight container is planned for Sydney; India's railways face a 15-year development plan; Iraq seeks advice on the Baghdad-Erbil railway; the biggest BR consultancy contract has been signed in

Tehran for a 57m. modernisation of 625 miles of railway; the Turkish and Russian railways.

The National Bus Company has formed a special consultancy company headed by Mr. Wally Womack. "We are much in demand, and the response is very good," said Mr. Womack, who leaves the bus a tour of development countries.

Asked why, with Britain's passenger services in an unstable state, foreign countries flocked to them for advice, Mr. Peter Keen of Transmark said: "We know how to do the job but the deficiencies in the situation are due to the limitations of funds for investment."

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COMMONWEALTH TRADING BANK OF AUSTRALIA
INVESTITIONS-UND HANDELS-BANK A.G. LONDON BRANCH
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CITICORP INTERNATIONAL BANK LIMITED

AGENT

DECEMBER 19, 1975

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Boat Show (cl. Jan. 11)	Earls Court
Current	Camping and Caravan Exhibition (cl. Jan. 11)	Olympia
To-day	Brighon Gilt Fair (cl. Jan. 7)	Metropole Centre, Brighton
To-day	Indian Casting Display (cl. Jan. 30)	28/30, Cork St., W.1
Jan. 6-10	Homes, Food, Fashion and Leisure Exhibition	Ex. Hall & Royal Htl., H'g'n
Jan. 10-15	Harrigate International Toy Fair	Wool Exchange, Bradford
Jan. 10-17	Ideal Home Exhibition	Royal Hort. Halls
Jan. 10-17	Intl. Racing and Sporting Motor-cycle Show	Bingley Hall, Birmingham
Jan. 10-17	Holiday '76 Show	Palace Hotel, Torquay
Jan. 11-15	West Country Gifts Fair	Olympia
Jan. 14-21	International Hotel and Catering Exhibition	Blackpool
Jan. 18-21	International Slipper Fair	Blackpool
Jan. 18-24	Ulster Motor Show	Blackpool
Jan. 20-23	Stationery Industry Exhibition	Grosvenor House, W.1
Jan. 23-25	Leathergoods, Luggage and Handbag Fair	Royal Hort. Halls
Jan. 23-25	Amusement Trades Exhibition	Alexandra Palace
Jan. 31-Feb.	British International Toy Fair	Metropole Centre, Brighton
Feb. 1-6	International Spring Fair	Exhib. Centre, B'ham
Feb. 1-6	Int. Hardware & Housewares Trades Fair	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
To-day	Hotel and Restaurant Industry Fair (cl. Jan. 8)	Amsterdam
To-day	Travel & Leather Goods Souvenirs Fair (cl. Jan. 8)	London
Jan. 6-9	European Knitwear Exhibition	Milan
Jan. 7-9	Consumer Electronics Show	Chicago
Jan. 8-12	Carpet and Floor Coverings Exhibition	Paris
Jan. 12-13	Italian Leathergoods Exhibition	Milan
Jan. 13-15	National Sports and Boat Show	San Francisco
Jan. 14-18	Cellar Machinery and Equipment Exhibition	Madrid
Jan. 14-18	Rome Furnishing Textile Fair	Frankfurt
Jan. 15-19	National Furniture Exhibition	Paris
Jan. 15-20	International Lighting Exhibition	Paris
Jan. 15-26	International Pleasure Yachting Exhibition	Paris
Jan. 16-25	Do-It-Yourself Exhibition	Stockholm
Jan. 16-25	World Book Fair	New Delhi
Jan. 19-24	International Farming Machinery Exhibition	Amsterdam
Jan. 22-29	International Building Exhibition	Munich
Jan. 23-29	Int. Record and Music Publishing Market	Cannes
Jan. 23-29	International Commercial Motor Show	Geneva
Jan. 30-Feb. 1	British Luxury Fair	Dubai
Jan. 31-Feb. 15	International Sports Equipment Fair	Innsbruck

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Jan. 6-7	ICMA: Man. Accounting for Non-Fin. Managers	Grand Hotel, Birmingham
Jan. 6-9	Cheshire C.C.: Values for Money	Lancaster University
Jan. 8	Euro. Study Conf.: EEC Patent Convention	Inter-Continental Hotel, W.1
Jan. 12-13	Assoc. of Cert. Acc.: Accounting for Inflation	King'sley Hotel, W.C.1
Jan. 12-13	Brunei University: Managing Uncertainty	Uxbridge
Jan. 12-13	Wales Int. Man. Centre: Financial Management	Cheltenham
Jan. 15-18	R.E. Cons. Grp.: Organising Development	Training Centre, Egham
Jan. 15	WTU: Trading Opportunities with COMECON	Carlton Tower Htl., S.W.1
Jan. 15-16	IPM: The Secretary in Personnel Management	World Trade Centre, E.1
Jan. 20-22	Urwick: Finance Man. in Construction Companies	Whites Hotel, W.2
Jan. 21	Bentley Associates: Participation-Reward	Sloagh
Jan. 21	BIM: Selection Interviewing—Theory and Practice	Piccadilly Hotel, W.1
Jan. 21	Imp. College of Science: Productivity Analysis	Management House, W.C.2
Jan. 21-22	Inst. of Fuel: Energy—Breaks or Break	Imperial College, S.W.7
Jan. 23	Man. Studies Centre: Europe—The New Home Mkt.	Royal Garden Htl., W.8
Jan. 25-30	BACIE: Interpersonal: Industrial Participation	35, Marylebone Road, N.W.1
Jan. 27	H. B. Maynard: Production and Worker Motivation	Sackville Hotel, Hove
Jan. 27	Inst. of Purchasing: Packaging Revolution	Royal Lancaster Hotel, W.2
Jan. 28-29	Financial Times and Investors Chronicle: Counter Inflation Policy	Grosvenor Hotel, Chester
Feb. 3-5	IPS Bus. Press: What Price Mechanisation?	Royal Lancaster Hotel, W.2
Feb. 3-5	Bradford Univ.: Improving Staff Performance	Heaton Mount, Bradford
Feb. 3-6	Direct Mail/Marketing: International Conference	Meridian Hotel, Paris

Jehil not 10

policy Guerilla offensive' eports on Rhodesia talks eve

Tony Hawkins
SALISBURY, Jan. 4
THE RHODESIAN constitution, which provides for a white-minority government, is being challenged by the African National Congress (ANC) in Salisbury. The ANC is reporting that a major guerrilla offensive is being launched in Rhodesia in the near future. The ANC is also reporting that the Rhodesian Government is planning to launch a major attack on the guerrillas in the near future. The ANC is also reporting that the Rhodesian Government is planning to launch a major attack on the guerrillas in the near future.

The report also suggested that the offensive would be used to coincide with industrial unrest inside Rhodesia. The report also suggested that the offensive would be used to coincide with industrial unrest inside Rhodesia.

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Boards sell broad

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Partition now the main issue in Lebanese crisis

BEIRUT, Jan. 4
THE partition of Lebanon is now a main issue in the heightening argument between Moslem and Christian leaders as the Lebanese crisis enters its ninth month without any sign of a political compromise being reached. Moslems have accused top Christian Maronite leaders of seeking partition. These leaders denied the charge but warned that the deterioration in the situation is not checked partition may become inevitable. A Maronite religious leader was calling for a federal state in the country. On the ground, a relative lull in the fighting is still far from allowing the country to resume normal life. Lebanese bankers have decided to delay the re-opening of the banks, which have been closed for over a month, until stronger security measures have been taken and the roads are rendered safe. The political argument intensified after three top Maronite leaders on Wednesday adopted what the Moslems regarded as an uncompromising stand regarding the demands for political reform. Mr. Gemayel, President of the Maronite community, rejected proposals for reforming Lebanon's power-sharing constitution and warned that if Moslems and Christians could not live together then partition would be the alternative, though he personally stood against partition.

Syria, Jordan co-ordinate UN stands

By Louis Fares
DAMASCUS, Jan. 4
JORDAN's Premier, Mr. Safwat Hifawi, arrived in the Syrian capital unexpectedly today for talks with Syrian President Hafez Assad. Official sources said the purpose of the visit was "to co-ordinate action among the Arab states concerning the Arab League and the UN Security Council on the Middle East situation." Informal sources here believed that what Arabs are most likely to seek at the UN is "to sum up all the resolutions issued by the Security Council so far" in one comprehensive resolution while also introducing some modifications to the most important ones. The Arab League summit, which will meet in Amman, Jordan, as "the only partner available for talks over the Palestinian problem," Syria hopes that joint action with Jordan would cut the ground from under Israel's first crisis issue. UPI reports from Jerusalem: Israel Sunday called for a reconvening of the Geneva Middle East Peace Conference without the Palestine Liberation Organization in a move to counter the forthcoming UN Security Council debate on the Arab-Israeli conflict.

Mrs. Gandhi warns of threats' to India

NEW DELHI, Jan. 4
THE eve of the Indian Parliament's winter session, Prime Minister Indira Gandhi asked the Congress Parliamentary Party to be alert to the threats to the country's security, both from within and outside the country. This is the second time that Mrs. Gandhi has spoken of the "threats to the country from outside" without specifying where they come from. Yesterday, at Vidhasabha in southern Andhra Pradesh, Mrs. Gandhi asked the Indian navy to be alert to meet possible dangers from the sea to India's independence. Mrs. Gandhi first spoke of the "threats to India's security" during a recent session of the ruling Congress Party held at Chandigarh. She then made a thinly veiled reference to the events in Bangladesh and said that "the stability of the country is threatened by the activities of the Indian forces and interference." She felt that a similar attempt to be made to create instability in India by unprovoked foreign wars. Parliament's session to-morrow will begin with an address by the President to a joint sitting of both houses. It is expected he will refer to the government's decision to extend the life of the Lok Sabha (Lower House of Parliament) by a year and postpone the general election due in February by a year. He is also expected to say that the state of emergency proclaimed last June is to continue for at least one year and to give an indication of the constitutional changes that the government envisages.

No Australian devaluation

CONFERENCE
The Australian Government has rejected proposals for a further devaluation and taken the usual step of announcing the decision officially. The National Country Party, junior partner in the coalition Government, has been keen to devalue by some of the order of 20 per cent. Although it was always probable that the Liberal Party Prime Minister Mr. Malcolm Fraser would reject the proposal, speculation over the past two months has reached such serious proportions that the Government is forced to act now. The Australian Government has rejected proposals for a further devaluation and taken the usual step of announcing the decision officially. The National Country Party, junior partner in the coalition Government, has been keen to devalue by some of the order of 20 per cent. Although it was always probable that the Liberal Party Prime Minister Mr. Malcolm Fraser would reject the proposal, speculation over the past two months has reached such serious proportions that the Government is forced to act now.

CHILEAN CHIEF OF STAFF RESIGNS

Ultimatum over policies reported as the pressure mounts on Pinochet

By Hugh O'Shaughnessy, Latin America Correspondent
CARACAS, Jan. 4

THE WEEK-END'S announcement in Santiago that Gen. Sergio Arellano Stark, chief of the general staff of the Chilean Armed Forces, had resigned for unknown reasons, and unconfirmed reports that ten generals had sent Gen. Augusto Pinochet, the Chilean President, an ultimatum demanding radical changes in Government policy, have brought to the surface the question that has been bubbling underground for some months: Can Gen. Pinochet stay in the saddle? The overwhelming vote against the junta's policies on human rights which was passed in the UN General Assembly last month with the support not just of the Western Europeans and, most humiliatingly of the U.S.—which did so much to encourage the armed forces to move against the late President Allende and to support Pinochet since the coup—was a bitter blow for the president. He does not seem to have been able to convince his comrades-in-arms and the country that this was just another manoeuvre of international communism which has been the junta's stock reply to any criticism from abroad. Nor can the realisation that the president was embroiling the junta in a bitter fight with the Vatican and the Christian communities in Chile, led by Cardinal Raul Silva, archbishop of Santiago, have helped confidence in Gen. Pinochet. In the economic field, the growing impoverishment of tens of thousands of Chileans revealed by the need of the churches to set up soup kitchens for starving children up and down the country has made patent the unacceptability of the hard-line right-wing economic policies which Pinochet has imported wholesale from conservative U.S. economists such as Dr. Milton Friedman. That many senior officers were increasingly aghast at the results of Gen. Pinochet's policies was to be deduced from the increasingly outspoken criticism of the junta by figures such as the industrialist Sr. Orlando Saenz, former head of Sofisa, the Chilean CBI. It is inconceivable that Sr. Saenz could have spoken as he did and have remained at liberty had he not had the support of powerful sectors of the armed forces. On the other hand, Gen. Pinochet's strength has lain in the fact that it was difficult, according to the rules that the junta set itself, to get rid of him. The rules in theory stipulate that the chairmanship of the junta must rotate among the four armed forces. However, such is the preponderance of the army over the other three that this is in practice difficult—a difficulty compounded by the fact that neither Admiral Merino nor Gen. Mendoza are generally considered to have the intellect or personality to become head of state. The able and ambitious Gen. Leigh, who last year sought openly to circumscribe the powers of his colleague Pinochet, suffers the grave disadvantage of being an airman.

Open secret

It has been an open secret that many of his fellow generals and admirals have been upset at the way in which Gen. Pinochet has, since the coup of September 11, 1973, gathered supreme power into his own hands and disregarded one of the first principles on which the junta was founded: that of the shared responsibility of the army, navy, air force and carabinieri or gendarmes in the running of Chile. Over the past year in particular the prerogatives of Admiral Jose Toribio Merino, Air Force Gen. Gustavo Leigh, and Carabineros Gen. Mendoza have been gradually whittled away by Gen. Pinochet, who has, for instance, moved from being merely the chairman

Outlook blackens for Moro

By Dominick J. Coyle
ROME, Jan. 4

MOST POLITICAL observers here now expect the Socialist Party leadership on Wednesday will endorse the decision of party secretary Francesco de Martino to withdraw support from the Government—leaving the days of Prime Minister Aldo Moro's minority coalition numbered after less than 14 months in office. Sig. Moro's Christian Democrats and the Opposition Communist Party (PCI) both oppose an early general election, but the Socialists seem bent on provoking a major Government crisis by depriving the administration of its majority in Parliament. The Socialists' precise political motivation is difficult to see. Only recently the party, in effect, publicly guaranteed Government support until after the spring round of party conferences. Now Sig. de Martino claims that his party's policies are being ignored and he has accused the Christian Democrats of paying more attention to Communist proposals than those of the parties supporting the Government. What the Socialists really fear of course is being virtually squeezed out of the Italian political process entirely through an alliance—whether formal or ad hoc, as is the case at present on a number of issues—between the Christian Democrats and the PCI.

Dr. Cassidy

But now the hostility of Washington towards Pinochet, the vexation of Britain at the treatment of Dr. Sheila Cassidy and the bleak economic outlook all combine to be cutting the ground from under Pinochet's feet this week. He is, however, a resourceful and cunning politician who will be hard to beat. The fall of Pinochet would, however, hardly be the signal for an immediate return to the Chilean tradition of democracy. The armed forces, if only because they are afraid of the consequences if they did give up, are likely to cling to power or some time to come. Meanwhile, ex-President Frei, the leader of the Right-wing of the Christian Democratic Party who gave tacit support to the junta in September, 1973, waits in the wings in the hope that he will be called back if the soldiers want to make a start on the road back from military authoritarianism.



Improved lighting increased productivity at Tillie & Henderson's clothing factory at Leigh

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Explaining the productivity difference

Statistical surveys prove that better lighting in a factory leads to improved profitability. This is because workers suffer less fatigue, make fewer errors, work harder and more consistently.

As well as the quantifiable benefits to production, there are other advantages that

contribute to the smooth running and profitability of an organisation: staff turnover is reduced, absenteeism is improved. Better conditions lead to smoother industrial relations and there is a contribution to that unmeasurable but nevertheless vital factor—morale.

Balancing the costs

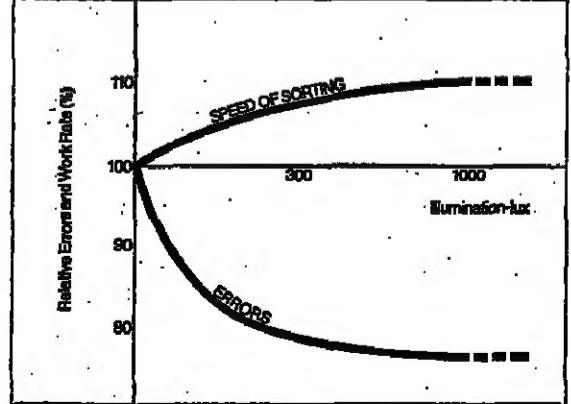
Many companies still believe that modern lighting installations require large investment. This is

(lumen-hours per £1 spent) than was the case 30 years ago. And considering that lighting costs are generally less than 0.4 per cent of manufacturing costs, good lighting is always economically justifiable.

Identifying the opportunities

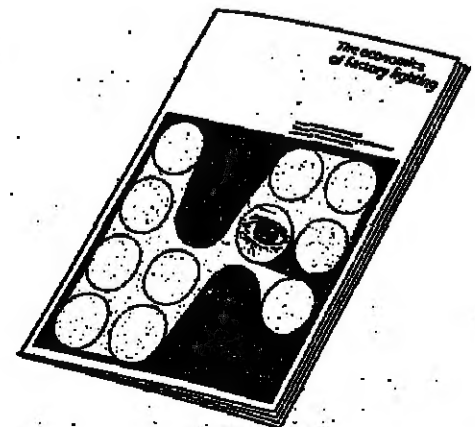
Your Electricity Board can help you in a number of ways. Firstly, they can assist you in establishing your requirements—with the aid of a lightmeter that gives accurate indication of existing lighting levels. Also, the Industrial Sales Engineer can advise you and put you in touch with manufacturers of suitable equipment.

But, if you would first like to study the results of lighting surveys, our new publication 'The economics of factory lighting' is available from your Electricity Board. It won't cost you anything, and it could save you a lot.



As the illumination is increased on a typical manual task (such as sorting screws), the number of errors made falls dramatically, while the working speed increases.

not necessarily the case. Re-lighting will give better lighting and will often reduce running costs in older buildings, due to the higher efficiency of modern lighting installations. You get three to five times as much light



Electricity does industry a power of good



The Electricity Council, England and Wales

The Office World

The new Soviet Five-Year Plan will give priority to technological advancement. Roy Levine reports on

Capitalist tools in the Communist Office

RANK XEROX will announce sales for the first time in 1974. And, in the global hierarchy, we must have been appreciated for another contract in Russia. This time the contract will be for training Russian service engineers at several different locations in what is the world's biggest country, and for setting up and stocking warehouses. "Once there is instant service and spares, they are bound to buy more of our products," says Mr. Gordon Planner, general manager, Eastern Export Operations.

This deal (the latest in a series) is part of the fruits of more than two years of groundwork. The biggest contract so far was signed in London three months ago for the supply of Mr. Karol Dohrendorf, managing director of Olympia Business microfilm printers and spares to Russia, worth £5m.

Sales worth nearly £4m have already been made in Eastern European countries. But these figures reflect only the tip of the iceberg of a market which could show one of the fastest growths in the world, reflecting the urge to modernise offices and improve bureaucratic efficiencies.

By all accounts, offices in the Soviet Union and Eastern Europe are backward even by our own rather modest standards. "They are bleak, over-manned and inefficient," says one expert, noting, "although there are a few remarkable exceptions with top officials' offices."

"The nearest thing they have to our offices are a few electric typewriters," notes another expert. Presumably, then, they are behind us in the switch from manuals (which they make themselves) to electric — a trend which has just asserted itself in the U.K., with more electric than manual being

immediate growth market. A survey published in February 1975 by Mackintosh Consultants predicted that sales by Western countries of electronic machines over the period 1972-78 would more than treble from £180m. to £500m. at constant prices. Significantly, over a fifth of the total annual market in 1978 would be for computers, peripherals and business machines. Another fifth would be for telecommunications and a tenth for communication equipment.

Because of the readiness to buy Western technology, either directly or through licensing agreements, many office equipment companies have already started the long process of securing contracts.

Rank Xerox, for one, expects to see an annual market for copiers of over £50m. a year by the end of the present decade, and reckons that with its 15 models (against the single models produced by most of the Japanese competition) it will get 80 per cent of that.

Even if it is successful, it will probably be a long time before the market is saturated as it is in Western Europe where there are about 30 copiers for every 1,000 office workers. A total population of 250m. people in Russia alone and a bureaucracy that spans mountains of paper work require a large number of copiers.

But things are changing quickly. The Russians and their counterparts in Eastern Europe have become keen to improve their offices and their bureaucratic and they are turning to saturation in the Moscow. The latest draft on the 1976-80 Economic Plan from the Soviet Union will no doubt want to stress the importance of technological advancement. Electronic equipment and paper efficiency have already been earmarked as an aid to the market is the



growing detente between the West and the East. Even the rejection by the Russians of the U.S. Trade pact did not greatly disturb this development, and indeed some Europeans saw that as an opportunity to get in ahead of the Americans.

Mr. Harold Wilson's visit to Moscow last February (which resulted in an agreement backed by a £850m. credit guarantee by the ECDF for mutual trade) and other overtures have laid a favourable political climate for the U.K. The Department of Trade is intending to send a delegation to Moscow in March which will be reciprocated in May.

Doubled exports

Already, trade between Russia and the U.K. has increased, mainly in our favour. In the ten months up to the end of October 1975, our exports doubled to £170m. while imports were about the same at £129m.

Doing business in the Communist bloc is a completely different to doing business in the West. The selling cycle is much longer and involves intricate formalities and protocol. Negotiations are normally not with factories or firms direct but with a central trade body or bodies. In some cases, like Sperry Univac's successful but protracted bid to get the Aeroflot computer order, its negotiators were dealing with three State bodies at the same time.

Because of the time involved negotiations are expensive yet not always assured of success. On the positive side, if you do land a contract, it is likely

to be for a substantial sum, providing higher margins, and security of payment. These are worthwhile benefits at a time when the normal trade cycle may be downward.

Rank Xerox realised the potential in Russia and the Eastern bloc ten years ago when it set up an embryonic division. In April 1965 it employed Gordon Planner who was then working with Sir Rudy Sternberg (now Lord Pluresden) to form a separate company with its own building — unique in the Rank Xerox group.

The first move Planner made was to open a training school in Brno, Czechoslovakia. "Hardly anyone had ever heard of Rank Xerox," he says, "in the early days when we put a copier in an exhibition no one knew what it was. So we started advertising, showing films and having our own exhibitions around the Eastern bloc." But the cost of exhibitions started to mount so in 1973 the group launched the "Chester Carlson" — a fully fitted exhibition train — on a 30,000 mile journey through 100 cities in seven Eastern European countries. That journey is now nearing completion after landing orders worth over £3m. Then, the train will be re-equipped with its planned ride through Russia.

At the same time Rank Xerox was setting up resident staff and service organisations and information centres providing technical support. Rank Xerox is not saying how much the marketing effort has cost. The fact that it was prepared to

commit itself to the market must have been appreciated for another contract in Russia. This time the contract will be for training Russian service engineers at several different locations in what is the world's biggest country, and for setting up and stocking warehouses.

Also to visit Russia next year is the Rank Xerox 50-ft. long trailer showroom launched in London by Mr. Peter Shore, Trade Secretary, in September. This will take machines right to customers' doorsteps. This is the play Rank Xerox is using to show its Telecopier, Xerox 3100 and 4000 and its reduction duplicator throughout Eastern Europe, Russia and Mongolia.

Absent from the list is its latest products, the 9200 fast duplicator and the Xerox 800 electronic typewriter. "The Russians are not yet ready for word processing," says Gordon Planner. "But the 9200 will be a marvellous machine for them. Duplicating has a big future there because of the large quantities of paper used — each machine uses three times as much paper than in the West, to support their bureaucracy. Yet now there are only some 4,000 copying machines in Russia — fewer than in central London."

The lack of currencies

Although the big contracts come from central authorities, many factories and businesses are allowed to retain enough foreign currency to buy machines that can make them more productive — and it is from these resources that Rank Xerox picks up smaller contracts.

But lack of enough hard currencies is still an inhibiting factor and the group is negotiating to build a copier factory in Russia, even though, if built, it will still leave room for direct sales from the West.

Another company that has already started building a factory in Russia is Olympia. The AEG-Telefunken subsidiary, Olympia, has been supplying Russia and the Eastern European countries with office machines including electric typewriters for some time. Now that the Eastern bloc countries have started converting to electric in earnest, a decision was taken to produce machines in Russia to supply them. After negotiations which started with a technical co-operation agreement in 1972, Olympia was chosen as the licensor. The factory, being built in Kirovograd, will employ over 2,000 people and have a capacity of 140,000 SGE 50 electric typewriters by 1977. Over 300 specialists sitting along with German and Irishmen trained at Olympia's typewriter factory in Wilhelmshaven, northern Germany. When the factory does come on stream Russia will be ahead of Britain in manufacturing typewriters for even Olympia's Belfast plant is not producing office electric products.

Although IBM claim to be the whole of its office production range, it is loathe to give figures and does not publicise contracts won. IBM's sales in Russia are made through Paris office headquarters in Europe, the Middle East, Africa. But it is believed a Corporation has been successful in the Soviet Union in the Eastern bloc in products.

Most of the large office equipment companies have been marketing in the East either not all of them have had same success that Rank Xerox have had recently.

Everyone experienced in doing business in the Soviet bloc agrees that they are tough negotiators. "There is very little drinking during negotiations — comes with success, as a celebration afterwards," notes Gordon Planner. There are some personal restraints, too, like being allowed in people's homes (but making good business friends) or keeping out of political discussions.

But there is not the consensus about their ability to assess competitive features: the state of the technology. According to one observer, "They get angry when they find they have bought a model that has since been superseded. They want to have modern offices, I don't really know the markets is possible to sell a penultimate model for many months before they find out it is not the latest."

Soviet bloc still has a lot catching up to do before their offices reach our standards. Penultimate models may seem perfectly well. After the U.K. and most of Western Europe is at least six months behind the U.S. market many companies here are busy with models that are almost obsolete in the U.S.

Chevron Overseas Finance Company

7% Guaranteed Sinking Fund Debentures Due February 1, 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of February 1, 1976 under which the above described Debentures were issued, First National City Bank, as Fiscal Agent, has selected for redemption on February 1, 1976, the "Redemption Date" at 100% of the principal amount thereof (the "Redemption Price") plus accrued interest to the Redemption Date, payable in U.S. dollars through the operation of the Sinking Fund provided for in the said Agreement \$1,926,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT, OUTSTANDING	
103 1261 3358 4789 9219 7217	8548 10098 14488 12898 14182 18978
104 1274 3368 4799 9329 7327	8558 10108 14588 12908 14282 19078
105 1284 3378 4809 9439 7437	8568 10118 14688 13008 14382 19178
106 1294 3388 4819 9549 7547	8578 10128 14788 13108 14482 19278
107 1304 3398 4829 9659 7657	8588 10138 14888 13208 14582 19378
108 1314 3408 4839 9769 7767	8598 10148 14988 13308 14682 19478
109 1324 3418 4849 9879 7877	8608 10158 15088 13408 14782 19578
110 1334 3428 4859 9989 7987	8618 10168 15188 13508 14882 19678
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113 1364 3458 4889 10319 8317	8648 10198 15488 13808 15182 19978
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115 1384 3478 4909 10539 8537	8668 10218 15688 14008 15382 20178
116 1394 3488 4919 10649 8647	8678 10228 15788 14108 15482 20278
117 1404 3498 4929 10759 8757	8688 10238 15888 14208 15582 20378
118 1414 3508 4939 10869 8867	8698 10248 15988 14308 15682 20478
119 1424 3518 4949 10979 8977	8708 10258 16088 14408 15782 20578
120 1434 3528 4959 11089 9087	8718 10268 16188 14508 15882 20678
121 1444 3538 4969 11199 9197	8728 10278 16288 14608 15982 20778
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123 1464 3558 4989 11419 9417	8748 10298 16488 14808 16182 20978
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126 1494 3588 5019 11749 9747	8778 10328 16788 15108 16482 21278
127 1504 3598 5029 11859 9857	8788 10338 16888 15208 16582 21378
128 1514 3608 5039 11969 9967	8798 10348 16988 15308 16682 21478
129 1524 3618 5049 12079 10077	8808 10358 17088 15408 16782 21578
130 1534 3628 5059 12189 10187	8818 10368 17188 15508 16882 21678
131 1544 3638 5069 12299 10297	8828 10378 17288 15608 16982 21778
132 1554 3648 5079 12409 10407	8838 10388 17388 15708 17082 21878
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135 1584 3678 5109 12739 10737	8868 10418 17688 16008 17382 22178
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137 1604 3698 5129 12959 10957	8888 10438 17888 16208 17582 22378
138 1614 3708 5139 13069 11067	8898 10448 17988 16308 17682 22478
139 1624 3718 5149 13179 11177	8908 10458 18088 16408 17782 22578
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148 1714 3808 5239 14169 12167	8998 10548 18988 17308 18682 23478
149 1724 3818 5249 14279 12277	9008 10558 19088 17408 18782 23578
150 1734 3828 5259 14389 12387	9018 10568 19188 17508 18882 23678
151 1744 3838 5269 14499 12497	9028 10578 19288 17608 18982 23778
152 1754 3848 5279 14609 12607	9038 10588 19388 17708 19082 23878
153 1764 3858 5289 14719 12717	9048 10598 19488 17808 19182 23978
154 1774 3868 5299 14829 12827	9058 10608 19588 17908 19282 24078
155 1784 3878 5309 14939 12937	9068 10618 19688 18008 19382 24178
156 1794 3888 5319 15049 13047	9078 10628 19788 18108 19482 24278
157 1804 3898 5329 15159 13157	9088 10638 19888 18208 19582 24378
158 1814 3908 5339 15269 13267	9098 10648 19988 18308 19682 24478
159 1824 3918 5349 15379 13377	9108 10658 20088 18408 19782 24578
160 1834 3928 5359 15489 13487	9118 10668 20188 18508 19882 24678
161 1844 3938 5369 15599 13597	9128 10678 20288 18608 19982 24778
162 1854 3948 5379 15709 13707	9138 10688 20388 18708 20082 24878
163 1864 3958 5389 15819 13817	9148 10698 20488 18808 20182 24978
164 1874 3968 5399 15929 13927	9158 10708 20588 18908 20282 25078
165 1884 3978 5409 16039 14037	9168 10718 20688 19008 20382 25178
166 1894 3988 5419 16149 14147	9178 10728 20788 19108 20482 25278
167 1904 3998 5429 16259 14257	9188 10738 20888 19208 20582 25378
168 1914 4008 5439 16369 14367	9198 10748 20988 19308 20682 25478
169 1924 4018 5449 16479 14477	9208 10758 21088 19408 20782 25578
170 1934 4028 5459 16589 14587	9218 10768 21188 19508 20882 25678
171 1944 4038 5469 16699 14697	9228 10778 21288 19608 20982 25778
172 1954 4048 5479 16809 14807	9238 10788 21388 19708 21082 25878
173 1964 4058 5489 16919 14917	9248 10798 21488 19808 21182 25978
174 1974 4068 5499 17029 15027	9258 10808 21588 19908 21282 26078
175 1984 4078 5509 17139 15137	9268 10818 21688 20008 21382 26178
176 1994 4088 5519 17249 15247	9278 10828 21788 20108 21482 26278
177 2004 4098 5529 17359 15357	9288 10838 21888 20208 21582 26378
178 2014 4108 5539 17469 15467	9298 10848 21988 20308 21682 26478
179 2024 4118 5549 17579 15577	9308 10858 22088 20408 21782 26578
180 2034 4128 5559 17689 15687	9318 10868 22188 20508 21882 26678
181 2044 4138 5569 17799 15797	9328 10878 22288 20608 21982 26778
182 2054 4148 5579 17909 15907	9338 10888 22388 20708 22082 26878
183 2064 4158 5589 18019 16017	9348 10898 22488 20808 22182 26978
184 2074 4168 5599 18129 16127	9358 10908 22588 20908 22282 27078
185 2084 4178 5609 18239 16237	9368 10918 22688 21008 22382 27178
186 2094 4188 5619 18349 16347	9378 10928 22788 21108 22482 27278
187 2104 4198 5629 18459 16457	9388 10938 22888 21208 22582 27378
188 2114 4208 5639 18569 16567	9398 10948 22988 21308 22682 27478
189 2124 4218 5649 18679 16677	9408 10958 23088 21408 22782 27578
190 2134 4228 5659 18789 16787	9418 10968 23188 21508 22882 27678
191 2144 4238 5669 18899 16897	9428 10978 23288 21608 22982 27778
192 2154 4248 5679 19009 17007	9438 10988 23388 21708 23082 27878
193 2164 4258 5689 19119 17117	9448 10998 23488 21808 23182 27978
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197 2204 4298 5729 19559 17557	9488 11038 23888 22208 23582 28378
198 2214 4308 5739 19669 17667	9498 11048 23988 22308 23682 28478
199 2224 4318 5749 19779 17777	9508 11058 24088 22408 23782 28578
200 2234 4328 5759 19889 17887	9518 11068 24188 22508 23882 28678

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the Corporate Bond Services Department of First National City Bank, Fiscal Agent under the Agreement referred to above, No. 111 Wall Street, in the Borough of Manhattan, City of New York, or (b) subject to any applicable laws and regulations, at the main office of First National City Bank in Amsterdam, Brussels, Frankfurt (Main), London (Chancery House), Milan or Paris or at the main office of Amsterdam-Rotterdam Bank N.V. in Amsterdam or at the main office of K. Redi-Bank S.A. Luxembourg. Payment at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by transfer to a United States dollar account maintained by the payee with a bank in New York City, on the Redemption Date, at the Redemption Price together with accrued interest to the date fixed for redemption. On and after the Redemption Date, interest on the said Debentures will cease to accrue.

The Debentures specified above should be presented and surrendered at the offices set forth in the preceding paragraph on the said date together with all interest coupons maturing subsequent to the Redemption Date. Coupons due February 1, 1976 should be detached and presented for payment in the usual manner.

CHEVRON OVERSEAS FINANCE COMPANY
By: FIRST NATIONAL CITY BANK,
Fiscal Agent.

December 31, 1975

Kalle Infotec feels the pinch

THE RECESSION in the European office equipment market has slowed the growth of Kalle Infotec, subsidiary of the giant German chemical concern, Hoechst. "We have been told to keep budgets for 1976 as low as possible," says Mr. Peter Thiel, general manager in Wiesbaden, Germany.

Kalle Infotec started selling its three products under licence in five European countries in 1973 in an attempt to become the third force in the market, after IBM and Rank Xerox. But now further expansion is taking a back seat during the recession while the company digests the past three years' growth. Instead of setting up more subsidiaries, the company is presently appointing agents in

CONTRACTS AND TENDERS

UREA FERTILIZER PROJECT—SRI LANKA

PREQUALIFICATION INVITATION TO VENDORS

The State Fertilizer Manufacturing Corporation (SFMC) plans to install at Sapugaskanda (located 10 miles by road from Colombo), Sri Lanka, a Urea Fertilizer Complex which will include the following:

- 540 metric tons per day Naphtha based Ammonia Unit.
- 940 metric tons per day Urea Unit.
- Offsite services, auxiliaries and other facilities including product handling, bagging and storage facilities.

The Government of Sri Lanka has applied for loans to finance the Project, and it is anticipated that the proceeds of the loan will be applied as follows:

- The foreign exchange cost of the General Contract will be financed from the Kuwait Fund for Arab Economic Development (KFAED).
- The foreign exchange cost of certain goods and services relating to utilities and offsites facilities will be financed from the Government of India loan (GOI). For the goods and services to be supplied under the Indian Loan conditions, a separate announcement is being published in India.
- All other foreign exchange costs will be met from the proceeds of loans from the Asian Development Bank (ADB) and the Kreditanstalt für Wiederaufbau (KfW) of the Federal Republic of Germany.

Companies are invited to pre-qualify on a world-wide basis as there are no KfW restrictions whatsoever on source and origin.

Procurement procedures will be in accordance with International Lenders' rules and will be administered by the ADB acting where necessary on behalf of other lenders.

The requirements of local funds will be provided by SFMC through the Government of Sri Lanka.

Interested suppliers are invited to submit their qualifications by providing the following information:

- Indicate clearly which of the categories as listed below numbers 1 to 21 for which they wish to quote with relevant supporting information, giving general performance details, utility requirements and warranties.
- Description and capacity of manufacturing facilities.
- List of components usually subcontracted and availability of after-sales service and spare parts in Sri Lanka.
- Latest Annual Report and Balance Sheet.
- Experience with similar equipment including list of customers or plants where similar equipment is operational.
- Approximate delivery schedules.

To be considered for receiving invitations to bid, the above information must be sent, and received at the following address by March 8th, 1976.

Scientific Design Company Limited,
(Technical Advisers to SFMC)
Bush House,
Aldwych,
London WC2 4QB.

All correspondence should be in English. SFMC and its Technical Advisers, Scientific Design Company Limited, reserve the right to verify all statements and inspect supplier's facilities to confirm the vendor's capability to perform work, and to disqualify any supplier without assigning reasons therefor.

Principal factors that will be considered in evaluating subsequent quotations will include price, quality, operating and maintenance costs, freight, delivery schedule, inspection and expediting costs, performance guarantees, compliance with purchase specifications, spare parts requirements, terms of payment and vendor's experience.

Equipment and materials include, but are not necessarily limited to, the following categories:

- Vessels, tanks and columns.
- Furnace materials including fittings and insulating materials.
- Heat exchangers in alloy, stainless and carbon steels and other special materials of construction.
- Pumps and compressors including stainless and ordinary steel.
- Materials handling equipment including elevators and conveyors, weight feeders and scales and bagging machines.
- Cooling towers.
- Tower packing.
- Steam raising plant.
- Instrumentation including accessories.
- Electrical equipment including power generation package, transformer, motors, switch gear and motor control equipment.
- Special and ancillary equipment as used in the production of fertilizer.
- Catalysts and chemicals.
- Construction, erection and maintenance equipment including cranes.
- Steel materials including bars, plates and structural shapes.
- Piping, valves and fittings in Carbon and High Alloy steel.
- Other equipment and materials required for a complete plant.
- Vacuum system comprising of steam jet ejectors with surface and barometric condensers.
- Water treatment plant for steam raising, and effluent treatment equipment.
- Foundation piling.
- Drivers (electric motor, steam or gas turbine).
- Building and insulation materials.

ETHIOPIAN ROAD TRANSPORT ADMINISTRATION INTERNATIONAL TENDER FOR THE PROCUREMENT OF STATIC AXLE WEIGHBRIDGES

Invitation No. I.T.A./75

The Ethiopian Road Transport Administration releases an International Tender for the procurement of 5 static axle weighbridges. The purchase of these static axle weighbridges is financed by IBRD. Therefore, all member countries including Switzerland are invited to take part.

This tender will remain open for 60 days, beginning on December 29, 1975 until February 29, 1976. The tender will be opened on March 1, 1976 at 10.00 hours local time.

Tender documents may be obtained from Ethiopian R.T.A. Size and Weight Section for the sum of Eth.\$10.00 each, and additional sets for Eth.\$7.00 each, from Monday through Saturday on working hours only.

The Ethiopian R.T.A. reserves the right to accept or reject any or all bids that are incongruent with the tender document and technical specifications.

SUDAN RAILWAYS STORES DEPARTMENT

CONTRACT NO. 4847

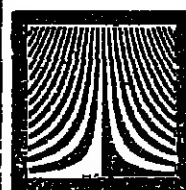
SUPPLY OF ONE 65-TON RAILWAY BREAKDOWN CRANE

* NOTICE *

- Controller of Stores, Sudan Railways, Adaba invites tenders for the supply of One 65 Ton Railway Breakdown Crane.
- Details, Specification and relevant drawings can be obtained from the office of Controller of Stores P.O. Box 48 Adaba or from the office of Stores Representative Khartoum on submitting a written application bearing 30 ann stamp duty and payment of Ls. 25.00 ann. (for one set of details specification and drawings).
- All tenders shall be opened publicly at the prescribed place, date and hour and the prices of each tender shall be read aloud.
- The closing date fixed for acceptance of tenders in this office is Sunday 8th Feb. 1976 at 12.00 hours noon.

OFFICE OF CONTROLLER OF STORES.

P.S.—Details, Specifications and relevant drawings to this tender are also sent in the Sudan Government Purchasing Agent's Office in London.



The Technical Page

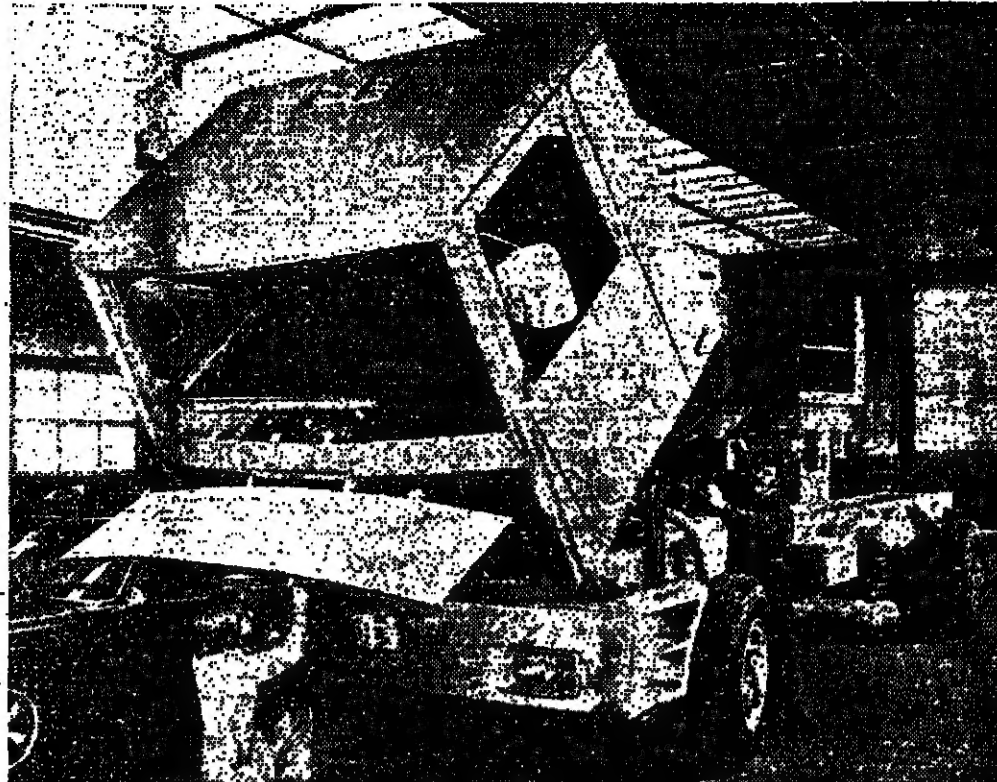
EDITED BY ARTHUR BERNETT AND TED SCHJETER

FINAL stages of production

of a prototype 16-ton truck almost completely constructed from aluminium have been reached at the Zurich factory of Schweizerische Aluminium AG.

Aluminium has been used for everything except the engine, axles and drive system.

When completed the vehicle will have to be extensively road tested but it will be shown at an exhibition in Geneva this month. No price has yet been fixed for the truck, which is stated to offer a weight-saving of 497 kg. over its steel counterpart.



DATA PROCESSING

Speeds up the legal documents

A CONVEYANCING package of manuals and pre-recorded tape cassettes for use in conjunction with its Scribana 100 magnetic memory automata typewriter has been announced by Ultronic Data Systems, 3 Jefferson Way, Thame, Oxon OX9 3SU (08421 3151).

Part of the package is a set of 120 conveyancing precedents covering the majority of requirements for the transfer of unregistered land, with 60 appropriate sub-variations where the sex of the vendor or purchaser changes the wording. In these cases the complete conveyance draft only requires a dictated addition of names, values and details of the schedule of property involved. By using these precedents only the variable information has to be checked. In addition, 182 standard clauses are included to enable the user to deal with special cases. The data, on 104 cassettes, is indexed.

Part two of the package, available shortly, will be a series of standard letters to be used by solicitors when dealing with purchase and sale of property. This will cover the standard correspondence used to building societies, estate agents, banks, as well as buyers and sellers.

A company using the service simply provides GMS with a list of its current order requirements. This information is fed into the computer, which calculates in a matter of seconds the least wasteful way to cut order lengths. The computer then prints out a schedule of cutting lengths for use by cutter operatives.

Management schedules and analysis and administrative documentation can be produced by the computer at the same time. Input and output data can also be transmitted by the public telephone network, if required. GMS is at Smithfield House, Blunk Street, Sheffield, S1 2BU.

The user requiring from one to four key-stations can gain the advantages of fully-programmed key-to-disc with high validation at low cost, the company asserts. Cost, depending on the type of unit, runs from £2,800 to £5,000 per unit.

Data is entered via a standard typewriter keyboard and the integral printer uses an interchangeable golf-ball head, giving the user a hard copy of his input and complete freedom in the choice of fonts, including OCR.

Programs are stored on cartridge and the selected validation checks to be built into the individual user's systems.

In addition to data preparation, the Logic 2000 DP also provides considerable processing capability in its own right and is ideal for handling such tasks as:

Cutting down on waste

SAVINGS OF up to 30 per cent on waste during trimming for producers and distributors of steel bars, tubes, textiles, carpets, paper, timber, and other materials sold in varying lengths, are possible with a service by GMS Computing of Sheffield.

Offered by GMS on a bureau basis the service enables companies who do not have their own computers to make use of modern techniques in an ad-hoc and economical way.

Problems of minimising "trim loss" when cutting stock lengths of materials to match a company's current mix of orders are essentially mathematical and therefore ideal for computerised techniques.

A company using the service simply provides GMS with a list of its current order requirements. This information is fed into the computer, which calculates in a matter of seconds the least wasteful way to cut order lengths. The computer then prints out a schedule of cutting lengths for use by cutter operatives.

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CRITICAL

look at waste tyres

A CRITICAL review on the use and disposal of waste tyres has been published by RAPRA.

It covers construction and design of tyres; quantities; re-treading; manufacture; ingredients for new rubber compounds using scrapped tyres as feedstock; ultimate disposal.

Tyres account for over 50 per cent of the output of the rubber industry. Used tyres, although useful for further primary use, still contain nearly the same amount of materials as new tyres. This 130-page report examines how the rubber industry re-uses tyres, the relative merits of the various methods of the technical restrictions and studies possible extensions of the use of both the rubber and other industries.

Carried out on behalf of the Department of Industry, the report will be available from mid-February.

Price is £7.50 (plus VAT and postage) from Publications Sales, Rubber and Plastics Research Association, Shawbury, Shrewsbury SY4 4NR (08934 353).

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

ANALYSIS

of data

ENGINEERS designing and analysing complex data streams should find useful the model 110-D serial logic data recorder made by Blomation and put on the U.K. market by Ortel, Dallow Road, Luton, Beds, LU1 1SU.

Synchronous data at up to 10 MHz can be examined, for example from disc and drum stores and from cassette and reel-to-reel tape transports up to 3200 bits/in. "Snapshot" records of changing data patterns can be stored and displayed with freedom from jitter not attainable with normal oscilloscope techniques.

Slow asynchronous data can be examined because the instrument's static random access memory system can record, compress and then observe slow and intermittent data as whole messages on a screen or display. Up to 4096 bits of serial data can be stored in selectable byte sizes from one to 88 bits per byte.

Up to 40 serial data bits can be shown any one time on the display with cursor to show the end of each byte. The display can also be "walked" through the memory in byte increments. More from Ortel on 0582 27857.

The system of pre-coated timber windows was originated in West Germany by Transco and is currently used there and other western countries.

The rights of this system for the U.K. are held by Blacknell who through advanced technology have made developments leading to a substantial reduction of the material content, giving a very robust product better able to withstand adverse site handling conditions.

Blacknell uses the same technology for the production of its domestic windows and the Blacknell 2000 home extension range.

The Hungarian authorities view this contract as the forerunner of a much larger contract direct with Blacknell for the supply and installation of British machinery and Transco plant for the manufacture of Timberplast windows in Hungary in 1977.

The contract was finalised with the assistance of Evans and Bryan, architects and construction cost consultants of Lichfield, Staffs, acting on behalf of Brockhouse Steel Structures.

The unit weighs 105 kg. and supplies hot air at the rate of 2,000 cubic metres an hour using about 1.2 gallons of oil per hour to do so.

Heat—which can be passed through up to 30 metres of flexible 35 cm diameter ducting, can be transferred in three directions. The heaters are used to operate outdoors in any weather conditions, to heat separate areas simultaneously.

Fuel can be drawn either from a 45-gallon oil drum through a flexible hose or piped directly to a permanent main fuel tank.

The company, located at Grove Road, Everton, Merseyside, L6 1SD, offers complete heating and drying services and units are available either on a direct purchase or hire basis.

MATERIALS

Critical look at waste tyres

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BUILDING & CIVIL ENGINEERING

Plastics windows for Hungary

BLACKNELL Buildings, Farnborough, Hampshire, has obtained a substantial contract from the Hungarian Government importing agency Komplex, through the Brockhouse Steel Structures, a member of the Montague L. Meyer Group, to provide know-how involved in the manufacture of pre-coated timber windows used in Britain by the CLASP and SEAC School building consortia. These July-Bush windows were originally developed by Blacknell for CLASP and the contract is a part of the Brockhouse Steel Structures contract for the sale of the complete CLASP system to Hungary.

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PROCESSES

Cleans up the circuit board holes

QUALITY of through-plated holes in single and multi-layer printed circuit boards can be improved together with overall plating quality and board appearance using a pressure blasting machine now available in the U.K. from Dage Intersem, Haywood House, Pinner, Middx. (01-898 0024).

Using an abrasive slurry medium, the system gives an even and uncontaminated PCB surface finish quickly and with the minimum removal of base material or copper. Epoxy smear and feathering at the edges of the plating is eliminated, ensuring reliable through-hole plating.

Boards up to 19 x 16 inches can be handled, in a work-holding rack that quickly adapts to the size of board. A variable speed motor conveys the board past size 100 mesh oscillating blast guns (three each side), each delivering 20 cfm of slurry at 30 psi. At the end of the cycle, which lasts about 30 seconds, the board is retracted and rinsed ready for the next stage in production.

Feeds and three incremental steps.

The stage two version incorporates a program store so that fully automatic machining cycles can be carried out. Programs are entered in the 8 kilobyte store via the keyboard or a teletypewriter unit, and are similar to those used in a computer.

For stage three a photoelectric sensor is added, with a switch for external operation. More from the company at Wm Buildings, Hineley, Leics. (053 35651).

An omni-directional spray head is fitted to a carriage which is supported on the end of the pipe by four adjustable legs mounted on wheels at spaced at 90-degree intervals round the inner circumference.

The carriage is pushed to the far end of the pipe length, the spray started, and the rig is pulled back along the pipe a controlled rate either manually or automatically. The wheel run in front of the spray which is angled slightly away from the direction of motion. Similarly, the trailing hoses are always in front of the newly painted surface.

The rig has the advantage that it can coat pipe bends after the have been welded into position so that the joints are also coated. The trailing hose modifications it can be adapted for use on pipes between three inches and four-foot diameter and, theoretically, any length of pipe can be accommodated.

Automatic positioning is available at feed rates for machining operations and can also be effected at high speed. For manual positioning there are two rapid traverse rates, two creep

Primary insulant in the cable is PTFE and resistance to fire and impact is provided by a layer of foamed asbestos impregnated with silicone varnish. To give maximum abrasion resistance and ease of handling a glass braided outer sheath incorporating PTFE dispersion is applied. The cable is not difficult to install and terminate.

Further details from the nearest BICC branch office or from Cables Section, BICC, Melling Works, Merseyside L31 1DF (051 546 9441).

BICC has announced that its Indtemp 250 cable, previously manufactured only to special order, is now available from stock. The cable can withstand high temperatures, mechanically severe conditions and moisture-laden environments.

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POWER

Robust cable from stock

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Sprays in curved pipe

INTERNAL surfaces of curve as well as straight pipes can be sprayed with paint using a rig introduced by Volstall Coating, 57, Stirling Road, Acton, London W3 (01-892 6931).

An omni-directional spray head is fitted to a carriage which is supported on the end of the pipe by four adjustable legs mounted on wheels at spaced at 90-degree intervals round the inner circumference.

The carriage is pushed to the far end of the pipe length, the spray started, and the rig is pulled back along the pipe a controlled rate either manually or automatically. The wheel run in front of the spray which is angled slightly away from the direction of motion. Similarly, the trailing hoses are always in front of the newly painted surface.

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BUILDING & CIVIL ENGINEERING

Easy route to damp courses

"ICE STICKS" of frozen silicone and water in a row of holes drilled along the bottom of a wall provide a new cure for rising damp. The company introducing the system says it is an improvement on alternatives and can be sold at a lower cost than the traditional method of disruption to the householder or business man.

Building and Civil Engineering

£21m. overseas contracts for Cementation

CEMENTATION International shaft will contain five compartments in a consortium with Polyplus of men and be lined to full depth. Ascot, Berks., has signed a contract worth £14m. with the H&N side dimensions of 21 feet eight inches by 16 feet 10 inches. The shaft will be 1,897 feet deep and the Newfoundland cement works in Taiwan.

The new works will have a capacity of 2,200 tonnes of clinker per day. The cement machinery will be designed and supplied by Polyplus and manufactured in the U.K.

The project will take about three years to complete.

The Cementation Company (Canada) has been awarded a 7m. contract by Gull Island Power Company for the construction of two shafts and associated shaft excavations at Pointe Mouze in Labrador and Yankee City, Newfoundland. The shafts are part of the proposed Strait of Belle Isle cable crossing to the power transmission cables from Labrador to Newfoundland.

At a later stage the two shafts will be connected by a 12 miles underground tunnel. The construction of which will be the subject of another tender. Each

road has been planned as a permanent access for future warehouse development in the area.

Trafalgar House Developments are also about to undertake the development of 150,000 square feet of warehouses at Woking which will be designed to be in units of 12,000 square feet or multiples of that figure. The warehouses are programmed to be completed by the end of this year.

Work has already commenced on the distribution centre which is to act as one of the London Depots for C & A Modes. When completed it will have an area of about 100,000 square feet.

Architects are Scott, Brownrigg & Turner and quantity surveyors David, Belfield & Everest.

Back in the U.K. another Trafalgar House Group Company Trollope and Colls, is to construct a modern distribution centre building for C & A Modes at Woking, Surrey, near the housing estate being developed by the Ideal Building Corporation. Architects are Scott, Brownrigg & Turner.

Trollope and Colls has already completed an access road to the site at Easthanger Estate, Basingstoke, Hampshire. Lane, Norell & Partners are the architects for the Trafalgar House Developments under a £10,000 contract. The

Energy in a construction context

AN INTERNATIONAL symposium on "Energy Conservation in the Built Environment" will be held by CIB—the International Building Research Council—at the Building Research Station, Garston, Merseyside, from April 6 to 8, 1976.

The symposium will seek to place energy consumption in buildings in perspective with national energy consumption; to establish priorities for action and research on energy conservation in buildings; and to promote international collaboration.

CIB is the international body through which building research laboratories liaise and exchange information. Its activities are mainly carried out through working commissions—groups of research workers who meet to

discuss and co-ordinate research on a particular topic. The symposium is sponsored by CIB Working Commission W07 which is concerned with energy conservation in the built environment.

W07 was formed a year ago and now has 39 members from 20 countries.

A statement on energy and buildings, based on information presented, will be made by the Commission at the end of the symposium and communicated to national and international institutions.

Over 60 papers will be discussed and these include contributions from Belgium, Canada, Denmark, Eire, The Netherlands, Sweden, Norway, U.S., West Germany, Poland, Italy and the U.K.

Proceedings will be conducted in English and French, the official languages of CIB, with simultaneous translation. Attendance is open to all. The fee is £54. Further information and application forms can be obtained from Dr. John Appleyard, Building Research Station, Garston, Watford WD2 7JR, Garston 74040.

Moving massive loads

IT IS already technically feasible to build water skates that will cope with loads up to 40,000 tons and, in the view of Dr. Robin G. Charwood of Acres Consulting Services of Southampton and Toronto, they would make it a relatively simple matter to move large oil platform components around in bays—yards—a feat hardly possible to carry out with any other known system.

The skates, similar in appearance to air cushion systems, consist of flexible rubber skirts to retain water pumped into them continuously under pressure. The skirts allow water to escape around them sufficient to act as a lubricant between the skirt and the ground and thus permit the heaviest loads to be moved with minimal exertion.

Skates now in use are about one metre in diameter and will lift around 30 tons at a working pressure of 50 psi. The next step up is probably to around 1,000 tons which will allow rig builders to move modules on to rig superstructures without the need for the temporary support steelwork which is both expensive to buy and costly to erect and dismantle.

Acres has a continuing technical assistance agreement with Air Cushion Equipment covering both the water skate and the hover principle based on air cushions.

Meanwhile, in France, Bertin is becoming increasingly active in air cushion work applied to movement of heavy industrial plant within buildings and other restricted areas.

One interesting exercise carried out recently with the aid of Bertin air pod equipment is to move two heavy profiling machines of different designs into and out of a production line as required. The alternative would have been the much more expensive one of providing accurately placed rails impervious to vibration and a large amount of power to move the equipment to and from the line.

Production line modifications, even when the heaviest machine tools are involved, present no problems when air cushions are used to move the machines. Equipment is handled with kid gloves and movement requires no specialist manpower.

Bertin is at Boite Postale No. 3, 78370 Plaisir, France.

Airport control building

CONSTRUCTION is to start next year on a new control building at Aberdeen Airport.

Design of the building, for the Civil Aviation Authority, is being undertaken by Sir Frederick Snow and Partners with McAlister Armstrong and Partners as architects and planning consultants.

An unusual layered configuration has been adopted to overcome the limitations of a restricted site and to achieve maximum internal space utilisation.

The building will have a central vertical core containing two staircases—to meet the Building Standards for Scotland—a lift serving floors to fourth-floor level and telecommunications and air conditioning ducts.

All heavy equipment will be housed on the ground floor and the approach control and radar, meteorological forecast and observers room together with air crew flight information and planning facilities will be on the first floor.

The second and third floors will provide accommodation for administration and general facilities, while the fourth floor will house the telecommunications equipment required for the visual control room immediately above.

The building is due to come into use in 1978.

Haden Young puts in the services

MECHANICAL and electrical services at British Steel Corporation's new Tescote and Workington Group headquarters at Redcar are to be installed by Haden Young.

The great variety of services to be provided include the air conditioning of the offices and computer building, water, plumbing and fire services, power and lighting.

Haden Carrier's subsidiary, Frenser, will design and supply a special integrated ceiling/lighting system.

School in Edinburgh

ALEXANDER Hall and Son (Builders), a member of Aberdeen Construction Group has been awarded a contract worth £738,970 by the Lothian Regional Council for works in connection with the erection of a special school at Broomhouse Crescent, Edinburgh, for children with impaired hearing.

Architects are Stanley Poole Brand Associates of Edinburgh.

Optimism in Europe

HIGHEST show in the world for the building industry and its suppliers, the Batimat exhibition in Paris late last year ended on a note of optimism. This was testified by attendance figures which were up by 7 per cent compared with the preceding year in 1973. It is a far more significant figure than the one or two per cent increase which has been reported in the U.S.

Stand space was a massive 4,300 square metres and there was a total of 313,286 visitors.

If the French organisations who were planning a lot of faith in Batimat as a barometer of the extent of the movement out of depression in France and Europe are right, and the 7 per cent increase in visitors and more in stand space is there to prove their claim, European recovery should not be far behind that proclaimed in the U.S.

But these considerations apart, the signs of improvement in interest in not in actual trade, but in the demand for stand space at Batimat 76, an exhibition devoted to heating, refrigeration and air conditioning of buildings.

The show takes place from June 10 to 18 at the Paris Expositions, Porte de Versailles in Paris and already over 250 exhibitors from France and other countries have taken place.

Overall theme is "A better use of energy," which is significant when one considers that the building industries of most of the advanced countries are now considering, perhaps somewhat reluctantly, exactly what the design effort should do to achieve the goal of maximum energy saving.

Since most European countries agree that between 40 and 60 per cent of fuel burned in power stations and elsewhere ultimately goes into the provision of domestic hot water, for whatever purpose, it would seem that the professional associations are slow off the mark.

This cannot be said of the exhibitors at Batimat where large sections of several of the even buildings were devoted to various ways of saving on heating energy.

For instance, the Baxter system of external protection offered by Omniplast, 185 Avenue Charles de Gaulle, 92 Levallois-Perret, France, will flow anyone with an old though structurally sound building to give it a complete external facelift with minimum trouble.

Apart from the aspect, though, the double-walled pvc "plank" gives a very high thermal insulation and sound protection to any structure on which it is applied. The fixing could hardly be simpler.

A dry-walling system, it can be put in place at very fast rates

and is equally suitable for old and new structures and is particularly recommended for coastal areas because the plastic is not attacked by saline air. Labour requirements are minimal.

Similar in aim but different in application, the Wash-Perle, a multi-layer coating which will make any type of building weather-proof while requiring minimum skill to paint or roller on to the surfaces to be protected.

The full system requires the application of squares of foamed polystyrene to the base—brick, cement or whatever. There follows a coating of an adhesive called Wash-Block to which a glass fibre sheet is applied followed by more Wash-Block and then the final patterned layer of Wash-Perle.

Whatever the base material, even when it is a damaged wall, the addition of this external coating gives the same advantages as injection of foam or fibre and is, obviously, to be recommended where solid walls are involved—as in several million buildings in Britain.

Wash-Perle is at St-Menee 13011, Marseille, France.

In another area of fuel economy comes the Rotrak economiser which enables any industrialist who is running plant emitting smoke at temperatures higher than 250 degrees C to recover residual heat corresponding to around 15 per cent of annual crude oil consumption. The economiser is of simple construction and looks something like a car radiator.

The radiator is stainless steel and is inserted in the flue duct at any convenient place provided the temperature drop there is not excessive.

The company also produces models for domestic use at its centre in Montreuil.

Etude and Realisation de Material en Acier Inoxydable, 22 Avenue de la Liberation, 71250, Montreuil, France.

Homes for old people

PLATS for old people are to be built under a £246,000 contract awarded by the Anchor Housing Association to Meas Construction.

Erection of 21 one-person units and 15 two-person flats together with a warden's maisonette and other facilities are called for. The building is to be a mainly three-storey structure.

Architect is the Geary Blair Weed Dickinson Partnership.



Designed initially as a rotary cultivator, the machine shown here being towed by a tractor and recently launched in the U.K. by Badger Systems, of York, is now being used in the civil engineering field. It is seen here at work for Bevis on the M25 motorway, where its principal role is

stabilisation of the carriageway sub-base and provision of wearing surfaces for the passage of heavy construction vehicles. The tractor-drawn and power-driven machine, called the Vertiber 2M, consists of four contra-rotating triple-tined heads which stir the ground without inverting it.

Ready for monkey business

MANAGEMENT OF the captive lives of the great apes in such a way that they can live them as naturally as possible, concurrent with safety to keepers and visitors, is not easy.

When the new £300,000 apes house at Bristol Zoo is opened in the spring it will embody a novel pneumatic and electro-pneumatic door opening and closing system controlling the 32 doors between five split-level dens, consisting of sleeping quarters and internal and external viewing areas.

Particular attention has been paid to the need for remote control so that keepers can operate the system unobserved; important when research staff are studying animal behaviour.

Safeguards are being built into the system so that there is no possibility of opening or closing the wrong door with its attendant danger of a monkey rough-house—gorillas, chimps and orang-utans do not mix.

It is also impossible, even for the strongest animal, to force open a closed door since it is held in position with 500 lb pressure. Neither can the doors be thrust open or shut with force.

Broomfield air compressors keep the circuit at 30 psi and the whole system is engineered by Avon Pneumatics, Enfield Works, Upper Westwood, Bradford-on-Avon, Wilts BA15 2DH, Bradford-on-Avon 6575.

£2m. worth for Turriff

TURRIF has won two contracts worth over £2m.

The biggest, worth about £1.7m., was awarded by the Department of the Environment, Directorate of Social and Research Services, for the construction of an industrial rehabilitation unit at Preston, Lancs.

This large-scale project, will include the erection of administration and recreation blocks, together with workshops, retail stores, hostel, boilerhouse, staff housing, gatehouse, greenhouses, roads, paving, landscaping, fencing and drainage.

Work on the project, which is expected to take just over a year and a half is about to start.

H. L. Froome Lewis of the Department of the Environment, Croydon, is the architect. The other contract, worth over £300,000, was awarded to Turriff by the Northumbrian Water Authority for the construction of a sewage preliminary treatment works at Jarrow.

Apart from general site works, clearance, drainage and landscaping, Turriff will be responsible for the construction of a reinforced concrete inlet bay, overflow weir, triple screen channels, culverts, flume channels and three grit tanks associated with the pumping station.

Work on this project is also about to start and is expected

Steel frame buildings

A £106,000 construction contract for Saudi Arabia has been won by The Hillebrand Group, of Eastleigh, Hants.

The contract is for six portal steel frame buildings to provide kitchen and laundry facilities at the towns of Riyadh, Taif, Abha, Medina, Najran and Jizan.

The contract was placed by Deifen Construction of Riyadh.

Builder to have own mini

A. F. BUDGE (Construction) in mid-January will be installing a powerful minicomputer at its offices in Retford.

Over 100 similar machines (Modcomp II) have been ordered by NASA at Kennedy Space Centre for the Space Shuttle programme.

Lay out for A. F. Budge will consist of large disc storage and magnetic tape equipment together with processor and printer. Input to the computer will be from three displays and keyboards, the systems being designed to allow each girl to operate on a different accounting routine, with the facility to enquiry at any time the status of a particular file. It will also be possible to produce management results out of the normal accounting cycle.

The systems and programs are being specially written by Construction Computing of Darley Dale, Matlock, Derbyshire, who are specialists in providing a range of services for building and civil engineering contractors. In particular, site payrolls, purchase sub-contract ledgers, nominal ledgers, integrated plant systems, certificates and valuations, and site cost statements will be maintained on the equipment.

Will protect pipelines

PROTECTION of four high pressure gas pipelines by split sleeving is being carried out by Biggs Wall & Company at North Oxendon, Essex, in advance of construction work on the M16 motorway which is scheduled to pass through the area.

The work, which is being undertaken for North Thames Gas, involves two sections—the motorway site itself and a section for a slip road.

The contractors are working in a restricted site with only 70 feet of working width in which to excavate the total 30 foot width needed to expose the four pipelines, stockpile material and operate machinery. Sleeving is carried out using

LA GENERALE DES CARRIERES ET DES MINES SOCIETE D'ETAT B.P. 450 LUBUMBASHI ZAIRE APPEL D'OFFRE INTERNATIONAL DE PREQUALIFICATION.

La Générale des Carrières et des Mines (GECAMINES) envisage d'augmenter de 100.000 tonnes sa production de cuivre. A cet effet, elle construira, entre autres, dans son siège de Lubumbashi, une nouvelle usine pyrometallurgique du type FLASH SMELTING.

Pour le financement partiel de cette installation, la GECAMINES a obtenu un prêt de la Banque Internationale de Reconstruction et de Développement, de la Libyan Arab Foreign Bank et de la Banque Européenne d'Investissement. Le présent avis tend à provoquer des demandes de préqualification pour la fourniture d'équipements dont l'achat sera couvert par le financement des Banques susmentionnées. Il s'agit des équipements suivants:

- un sécheur rotatif du concentré,
- la structure en acier du four FLASH SMELTING avec cheminée d'urgence,
- le complexe d'alimentation en poudres sèches du four FLASH SMELTING,
- plusieurs tanks pour stockage d'eau et de gaz,
- le complexe de manutention de coke, de chaux et de retours avec broyeurs appropriés,
- 2 fours à anodes pour cuivre,
- 1 four à induction pour alliage blanc (cuivre-cobalt),
- 1 four pour maitraille de cuivre.

Les fournisseurs qui désirent être préqualifiés pour recevoir des demandes d'offre pour un ou plusieurs de ces équipements sont priés de soumettre leur demande en duplicata, avant le 5ème février 1976, à l'adresse suivante: DAVY POWERGAS LTD, 8 Baker Street, LONDON W1M 1DA, Angleterre. (référence Contrat 1447)

Cette firme a été, en effet, chargée par GECAMINES de l'étude et de l'approvisionnement des équipements. Les

demandes en français ou en anglais, d'après la langue choisie pour la correspondance ultérieure, seront accompagnées des documents suivants:

- liste des équipements qui pourraient être offerts,
- catalogues techniques ou informations techniques générales, concernant le matériel offert,
- délais demandés pour l'introduction des offres, pour la fourniture des plans après commandes, pour la fabrication,
- liste d'installations (lieu et date de mise en service) où des équipements analogues du fournisseur sont en service,
- liste des composants qui ne sont pas fabriqués par le fournisseur,
- existence éventuelle d'un service après vente et disponibilité de pièces de rechange au Zaire,
- capacité de production, charge actuelle et prévue pour 1976 en pourcentage de la capacité donnée,
- rapport annuel de dernier exercice et effectif en agents de l'entreprise.

Gecamines se réserve le droit de faire vérifier les déclarations et de rejeter toute demande de préqualification sans donner les raisons. Les fournisseurs retenus seront informés en recevant une demande d'offre.

Les candidats soumissionnaires retenus comme qualifiés en seront informés. Ils pourront être invités lors de la soumission, à verser un dépôt nominal, qui leur sera remboursé lors de la remise d'une offre en bonne et due forme.

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Telex: 88331/2, 883887.

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Subscriptions: General Manager, George Reed, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

MONDAY, JANUARY 5, 1976

New thoughts on SALT II

FOR THE first time, the Soviet Union has implicitly alleged that there may have been U.S. violations of the first, and so far only, strategic arms limitation agreement between the two super powers. In the same Pravda article last week, which was signed by the authoritative pen name "Observer," it is also categorically denied that there has been any violations by the Russians. The allegations against the U.S. are not specific and there is nothing in the article to suggest that the Soviet Union has lost interest in a second strategic arms agreement (SALT II). Indeed its main purpose seems to be the denial of the accusations by American hawks that the Russians have ignored the provisions of SALT I — a denial which, as the article says, has already been publicly accepted by the U.S. Administration.

Technology

Coming at the present delicate stage in U.S.-Soviet relations, the article also seems to imply two things. The first is that, as far as the Russians are concerned, the SALT II negotiations are not yet dead and there is still everything to play for. The second is that, in Moscow as in Washington, there are doubts about the number of concessions which can be made. These doubts are legitimate. Ever since the Soviet Union approached nuclear parity with the U.S., the American case for SALT has been that it should stabilise the strategic relationship between the super powers and then lead on to agreements in other fields, both military and political. This is far from clear, however, that this has been the result of SALT I. That agreement set some limits on U.S. and Soviet nuclear deployment, but it did nothing to prevent the race for technological improvement. It was not so far led to agreements on the level of conventional weapons, and, as events in Angola have shown, super power competition has spread to new time pressure. SALT I does not areas, despite détente. In the meantime, the Soviet Union has grown militarily more powerful, especially in conventional weapons. It is for these reasons that there is some scepticism in the U.S. about the wisdom of going on to SALT II.

Tactics

It is natural that the U.S. should use the knowledge of its technological superiority as a bargaining counter in order to get the most favourable agreement from its own point of view. It is also right that it should seek a rather more precise definition of détente than has been obtainable so far: it is unacceptable for instance, that there should be a relaxation of tension in Europe only for the Russians to seek to expand their influence in Africa and the Indian Ocean. Yet, as the U.S. Administration takes stock of the position before Dr. Kissinger goes to Moscow to resume the SALT negotiations later this month, the ultimate aim should not be lost sight of. It is still SALT I. That agreement set some limits on U.S. and Soviet arms race in the hope that it will then be possible to move to a more stable superpower relationship. Neither side should confuse the bargaining chips and the tactics of the negotiations with this end: nor need they necessarily negotiate under compulsion. SALT I does not expire until late 1977 — after the U.S. elections and well after the 25th Soviet Party Congress.

The cost of British diplomacy

IN RECENT weeks the Foreign Office has come in for an unusual amount of public attention, most of it by inference unfavourable. First there was the house of the avenue Foch which was bought and done up for the British ambassador to the Organisation for Economic Co-operation and Development seemingly without any sort of control over costs. Then there came a series of parliamentary questions on the pay, allowances and children's school fees payable to British diplomats, the answers to which were coupled with the announcement that the allowances would be cut by 10 per cent. Most recently there has been the report of a preliminary inquiry by the Cabinet Office's Think Tank into the cost-effectiveness of the Foreign Office, an inquiry which is to be pursued.

Privilege

At a time of deep economic depression, it is perhaps natural that public and parliamentary attention should be focussed on a service which may be associated in some minds with an image of privilege, parties and public schools. It is doubly natural if the public feels, as in the case of the OECD ambassador's house, that the Foreign Office was guilty of an uncivilised and undisciplined lavishness in the expenditure of taxpayers' money. The ambassador in question may have felt it was demeaning to his status to have a flat of the same size as another British diplomat of lower rank, but there can be few taxpayers who can seriously believe nowadays that Britain's diplomatic interests are best defended by obsessive attention to the details of conspicuous consumption, just to assuage the sensibilities of a particular ambassador.

For these reasons it is wholly appropriate for the Foreign Office to be subjected to some cold scrutiny, either by the Think Tank or by the relevant parliamentary committee, or both. But it would be

Allowances

Similarly, the Foreign Office should be assessed in terms of the tasks it may reasonably be asked to carry out and the conditions under which those tasks can be fulfilled. The pay and allowances of British diplomats may be conspicuous, and there is something intriguing about the notion that a Labour government which is devoted to comprehensive education should endorse the principle of a public subsidy to the private school system. But the question is not whether diplomats should receive special facilities to enable them to carry out their nomadic representative functions, but how large these facilities should be. It would also be useful to measure the structure and activities of the Foreign Office against the recommendations of the Duncan report, which argued in 1969 that it should concentrate its efforts on the major countries, especially in the commercial field. The Foreign Office claims that a quarter of its staff is employed on commercial work, and that in the past ten years its total staff has been reduced by over 12 per cent. A serious inquiry would attempt to assess how far the Duncan recommendations have been carried out, whether the commercial staff are making a real contribution to the balance of payments, and whether there is not a conspicuous degree of over-staffing even in such important countries as France, Germany and the United States.

A still hungry world waits at the West's backdoor

BY ROBIN REEVES



CHANGING PATTERNS IN THE GRAIN TRADE

(Million metric tons)

Region	1924-38	1948-52	1960	1964	1974*
North America	+5	+23	+39	+59	+91
Latin America	+9	+1	—	+5	—
Western Europe	-24	-22	-25	-27	-19
Eastern Europe and USSR	—	—	—	—	-27
Africa	+1	0	-2	-7	-5
Asia	+2	-6	-17	-34	-43
Australia, New Zealand	+3	+3	+6	+8	+6

* Estimated
Plus sign indicates net exports; minus sign net imports.

Source: U.S. Department of Agriculture

Weather the culprit

But it would be a mistake to put the Russian crop disaster down solely to bureaucratic bungling, though this undoubtedly made a very bad situation worse. The main culprit, to which all parts of the world are susceptible, was unfavourable weather, and this alone should serve to reaffirm the basic message of the World Food Conference, that adequate supplies of man's most basic requirement — food — remain poised on a perilous knife-edge. Unless the coming months see a serious start to implementing the international strategy drawn up in Rome for increasing world food production, then the outlook for as many as 500m. of the world's population estimated to be on the hunger line — out of a total approaching 3bn. — is bleak.

There is still a tendency in some quarters to believe that such talk is unduly alarmist. World food supply scares and forecasts of famine have had a history of being proved wrong from the Reverend Thomas Malthus onwards. However, in the wake of the dramatic upsurge in grain prices in 1972-73, when crop failures were unusually widespread, the Rome Conference was presented with an analysis of the past, present and future food supply situation up to 1985.

North America harvest for

reasons of climate or disease, comparable to Russia's disaster, would have incalculable food security by establishing a system of reserve stocks to ensure adequate supplies and reasonable prices and a doubling in the amount of food aid to at least 10m. tons a year; the third was to set up implementing machinery whose headquarters was a Ministerial-level World Food Council.

Now, 14 months later, progress made towards fulfilling these goals has been undeniably slow.

World Food Council officials are hoping that \$1.2bn. IFAD will be formally launched in March or April this year. But they admit to some concern at the continued lack of commitment by the European Community. In contrast, the U.S. which was initially unenthusiastic, has agreed to put up \$200m. and OPEC countries will also be making a major contribution.

It is not in this stance, however, that there is little doubt that the Community's image of better understanding of Third World problems and aspirations,

which it believes it has, will take a hard knock.

Assuming the fund is successfully launched it is reckoned that this should at least double the flow of soft money towards increased agricultural production in developing countries from the present level of some \$600m. a year. In the meantime, a good deal of work is going on in FAO, the World Bank, the international regional banks and other agencies preparing projects suitable for the injection of new resources.

There are signs too that the governments of developing countries are attaching more importance to agriculture in their economic development plans. But so far the scale of effort is not enough, compared with what is needed to step up the growth in food output from 2.6 per cent to 4 per cent a year.

As far as greater world food security is concerned, the EEC is again conspicuous by its absence from the commitment to a doubling of food aid to 10m. tons a year. The U.S., Canada and Australia have all made their contribution, but the Community is presently increasing its effort from 1.3m. to only 1.6m. tons of cereals or equivalent a year instead of 2.5m. tons, which would be its fair share.

The question of building up a system of reserves stocks is in complete disarray. The American Administration is going around preaching the virtues of an international system of nationally controlled food stocks whereas the Europeans are arguing that it is impossible to build up reserves of grain or any other basic foods without an international understanding on the price levels at which they would be released in order to stabilise markets at reasonable levels.

Until this dialogue of the deaf is ended, the prospects for building up and maintaining a world food reserve target of some 40m. tons, to act as a safety net and iron out excessive price fluctuations is not good. Without an international framework it will be impossible for Brussels to establish its share of the reserve (10m. tons) without being accused once again of encouraging surpluses which act as a drag on the market, and which are expensive to dispose of.

But, equally, it is unrealistic to believe that the problem can be resolved in the course of hard-faceted trade negotiations. Mr. Earl Butz told a meeting of the National Farmers Union in December that the key to adequate food supplies lay in greater trade liberalisation. "Fear of future food supplies is encouraging new and sometimes questionable policies of self-sufficiency," he said.

None went without

The fact is that in the 1950s and 1960s the world was better run more as a community. World reserves of grain in New America meant that no community went without because it did not have the means to buy.

Unless the coming months see a conscious effort on the part of governments to build a framework and provide the resources which will put world food supplies on an adequate footing, then it is difficult to be optimistic about the eventual consequences. Even at this stage, it is wholly a question of international moral responsibility and charity. The rampant food inflation of the past three years should have made it abundantly clear to the richest countries, the world that if they want to expect recovery in economic growth not to be accompanied by another ruinous bout of inflation, they too have a vested interest in adequate supplies of food at reasonable, stable prices.

Editorial by Barbara Ward, New York University Press.

MEN AND MATTERS

Japan trims the expenses

The reputation of Japan's giant companies for lavish entertaining has been of the world-beating sort, but it may not be deserved any more. Some pretty awesome cost-cutting has been ordered, and I think a case by case review of the top five trading companies is illuminating.

At Mitsubishi, entertainment spending and all other forms of non-fixed expenditure will be cut by 10 per cent from the 12 months ending last March. The 12 months beginning last October possibly began with a 10 per cent cut. Mitsubishi, with 10,064 staff members in Japan, has the biggest sales turnover among the trading companies, but is second to Mitsui in entertainment spending with a total annual outlay of around ¥2,500m. per year (before the cuts).

Mitsui's entertainment spending of ¥3,516m. (in 12 months ending last March) will be cut 30 per cent during the year from last October. With 10,475 staff members Mitsui was spending about ¥335,000 per head per year on entertainment, but will now be laying out only some ¥235,000 per year, or about £390 per staff member.

Marubeni Corporation began cutting expenditure last March and expects to achieve cuts of 40 per cent, worth around ¥800m. during the year. Marubeni fixes entertainment budgets for each of its departments but has not introduced specific expenditure bans like Mitsubishi's golf ruling. "We respect the personal integrity of department heads in planning expenditure," says a spokesman.

C. Itoh is planning a 25 per cent entertainment expenditure

cut for the current fiscal year. C. Itoh spent ¥2,277m. on entertainment during the 12 months ending last March or around ¥295,000 for each of its 7,700 staff members.

Sumitomo is planning only a 10 per cent cut in relatively modest entertainment expenditure of ¥1,600m., but the 10 per cent will be extended to all expenditure by administrative departments while business departments will be required to cut spending by 5 per cent.

Sumitomo established a review Board to vet entertainment spending earlier in the year and has produced a guide-book of recommended entertainment establishments for use by staff members. One recent ruling: nights out must end after one bar has been visited. Sumitomo adds that "in principle" it would like to abolish gift-giving but evidently feels unable to do so until other trading companies follow suit.

A ban on gifts would not affect the practice of handing out lavish calendars, which is followed by every major Japanese company, since this is classified as advertising. Mitsubishi, Sumitomo and C. Itoh have all introduced a no golf on weekdays rule.

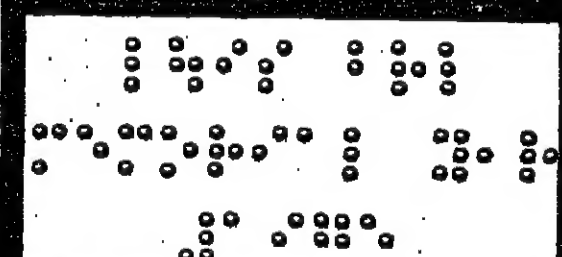
My correspondent reckoned he must have a paid-up policy, but he was too optimistic. The 1975 Christmas mail brought, via one wrong address, a statutory notice from the Wesleyan and General Assurance, who had taken over Salvation Army Assurance work, with a reminder that 63p was outstanding.

Now for Lemass

At the rate things were going, the first major biography of Sean Lemass, the late Irish leader, would not have appeared until 1980, a good ten years after work started on it. Now it should be out in 1978, with the hopeful author just cutting loose from a large part of his time-consuming commercial interests.

By most standards, 47-year-old Dermot Ryan is an unusual businessman. Some 25 years ago, he started a tourist company which has grown into Swan Ryan International (it includes the indulgently-named London Ryan hotel near Kings Cross Station), and six years ago he bought a diversified elec-

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Observer

FINANCIAL TIMES SURVEY

Monday January 5 1976

Vehicle Fleet Management

A debilitating combination of recession and inflation has been played out in the industry against a backcloth of continuing public pressures against the "juggernaut", and legislative uncertainties. However, professionalism in the fewer but larger companies should enable them to survive most of the storms ahead.

THE PAST YEAR has without doubt been the worst that fleet operators can recall for more than a generation. The movement of freight is directly related to the situation in the economy generally. In some sources—such as parcels and mail freight—the recession has put it on top of a long-term downward trend. At the same time, costs have been rising at rates hitherto unknown. Up to a few months ago, the average cost of running a vehicle fleet was increasing by anything between 20 per cent and 30 per cent a year according to vehicle size and nature of operation.

EEC rules

The going rate of inflation may now also have been moderated a notch or two and may even come back further still. But much will depend on what follows the expiry of the present 26 limit in August, on the future course of oil and other world prices as demand recovers generally throughout the industrial world, and on whether they would have to observe the EEC rules on drivers' hours and tachographs on domestic operations as well as on cross-Channel trips from January 1, while the manner in which Dykes and lorry routes and access to most of the country still remains decidedly uncertain. The economic scorers may well say that the industry is right when they say that the economic recession has now turned out. But fleet operators are likely to remain at a

most noticeable feature has been the further sharp impetus which the economic situation has given to the gradual swing away from own-account operators to the professional haulier and as part of the same process from general haulage to contract hire and specialised distribution and transport services. In the 11 years to 1973, the own-account share of freight movement by road declined from 59 per cent to 49 per cent in terms of tonnage and from

(large, that is, by haulier standards). Whereas the one- or two-vehicle operator may feel obliged to cut rates in order to stay in business, the larger haulier is able to tailor his operations to periods of reduced demand by taking vehicles off the road and by postponing replacement purchases. Indeed, the way in which the professional haulage industry has coped with the current business downturn somewhat undermines the argument of the traditional

systems of transport managers' liberalisation of capacity and tariff regulations, to begin with in cross-frontier movement and eventually perhaps in purely national journeys. Whether this will lead to faster progress to a common policy remains to be seen. Experience so far suggests that conflicting national interests will be as much a problem as before. Even though freight movement represents anything up to 7.8 per cent of total industrial costs, transport has never been regarded as sufficiently important to command a high place in the pecking order of political priorities. The political will has always been lacking. Perhaps this will be always so. The purist might say that the lack of a common approach to transport legislation frustrates the ideal of parity of competitive opportunity for industry and so prevents the reality of a common market. But the degree of cost distortion which arises from the present patchwork of differing national policies is, in practical terms, probably not all that significant. Domestically, the biggest uncertainties for fleet operators stem from the environmental and "social cost" issues. In the long run much could depend upon the course and progress of the EEC's common transport policy. The Commission's approach to transport policy has acquired an altogether different and, for U.K. fleet operators, a much more acceptable thrust in the three years since Britain joined. The Commission is now envisaging basing its Community harmonisation programme upon a substantial

Balance

But this is something which to a large extent is capable of being resolved by objective measurement, which is more than can be said about the environmental argument. On this issue, the main question is deciding how much amenity or environmental protection one wants to pay for. As yet, there is no general recognition that this is, in fact, the underlying issue. Judging from some comments, it would seem that some people think that the lorry, or at least the large lorry, can be got rid of or moved away to somewhere else at no cost at all. It may be that we have not yet achieved an acceptable balance between efficiency in distribution (which is directly reflected in shop prices) and preservation of local amenity. But it will not be easy to reach a consensus on what, precisely, is the right balance.

Swing to the professionals

By COLIN JONES

49 per cent to 38 per cent in terms of ton-mileage. In the latter part of this period, own-account activities had ceased growing altogether in absolute terms despite the freedom to ply for hire which the "O" licence system offers. The problems associated with higher vehicle maintenance standards, labour regulations, urban restrictions, and EEC regulations, coupled with the recent combination of acute

More commercial carriers are now offering contract hire facilities. Operators of all-in distribution services are becoming more specialised by product range or geographical area, and more are offering stock-holding and stock control services. Yet, compared with pre-1939 recessions, the haulage industry has shown much greater resilience this time. The structure of the industry is stronger: there are more large firms

lists who say that the industry's basic "instability" justifies the capacity and tariff controls which some other EEC countries like to maintain. True, the industry in this country is still plagued with "pirate" and other rogue operators. But this problem could be reduced by a further tightening up of the "O" licence system and perhaps also by the EEC directive requiring the introduction of national

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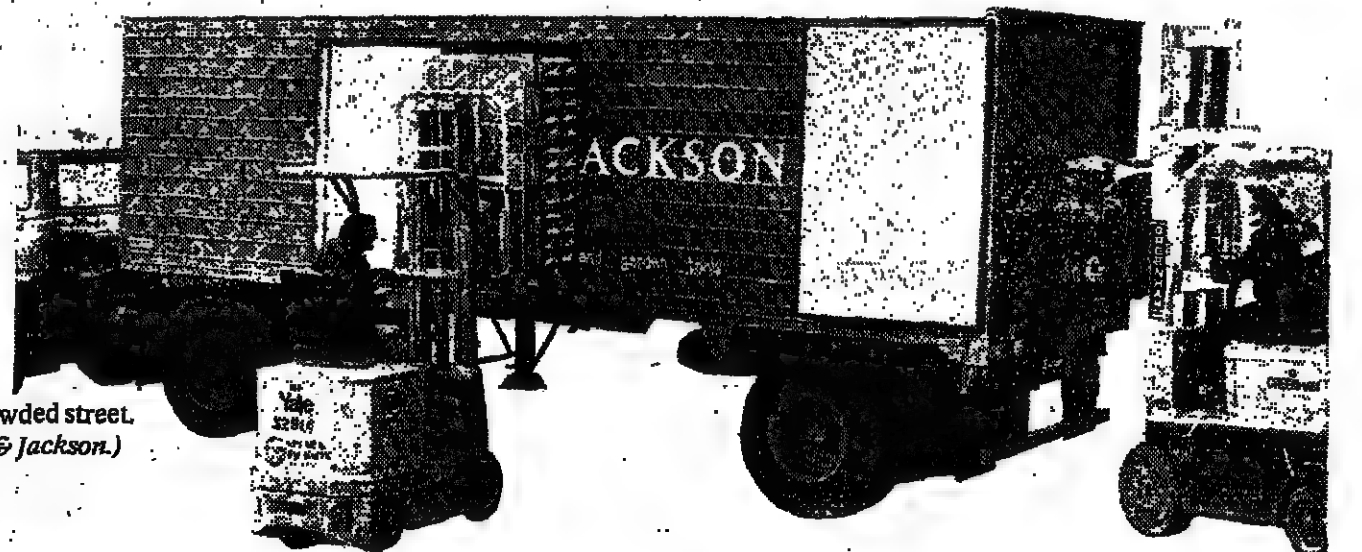
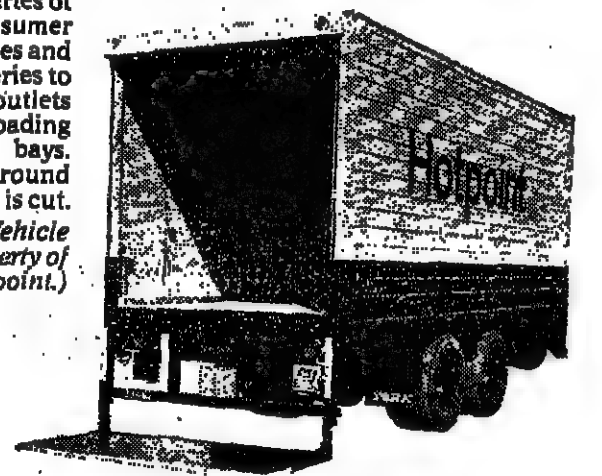


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VEHICLE FLEET MANAGEMENT II

Fuel questions need careful study

FUEL ECONOMY may be one of the top priorities of vehicle fleet managers, but the first thing they realise is that there is no panacea. All manner of methods, from speed limits and improved maintenance through to engine modifications and new vehicles may be tried, but none can be considered entirely satisfactory.

The situation was summed up in the recent report on energy conservation by the Parliamentary Select Committee on Science and Technology which cited evidence that "without drastic interference in consumer choice — for example by petrol rationing or by seeking to double car occupancy without increasing total passenger mileage — no single measure applicable in the transport field could save more than about 2 per cent of total primary energy, and most would save much less."

However, the importance of the transport sector in Britain's overall energy consumption is increased by the amount of

Economies

Petroleum-based products provide almost the entire energy for road transport and demand since 1960 has increased at an average annual rate of 6 per cent. It is against such a background that fleet operators are seeking economies.

The Government for its part has introduced speed limits which have a marginal effect upon fuel consumption. Tachographs — emotively known as "the spy in the cab" — record drivers' speeds and hours and have been used by some companies on a voluntary basis to help achieve fuel savings.

Though the European Commission is likely to take a soft line with the U.K. on compliance with the legal enforcement of the use of tachographs and

the British Government is encouraging its voluntary use, widespread application will depend upon how quickly the Transport and General Workers Union comes to terms with this method of measurement. In a situation where employers are restrained by the 28 wage limit from offering inducements to "buy off" opposition, progress on this front will be limited.

Dramatic as increases in the price of fuel have been over the past two years, their impact upon particular activities will vary widely. The National Economic Development Office report on the implications for U.K. industry of the increased cost of energy pointed out that transport costs as a proportion of net output in industry as a whole ranged from less than 3 per cent to nearly 40 per cent.

Moreover, in an inflationary situation the impact of rising labour costs and the additional burdens of maintenance and the cost of purchase of new vehicles may reduce the overall signifi-

cance of higher fuel charges. Granted, the limitations already noted, the latest wave of increases in fuel charges will hasten economy moves by fleet operators. Operating schedules will be changed to achieve lower mileages and higher load factors. Greater attention will be paid to regular maintenance and simple modifications will be adopted, such as fitting radial-ply tyres or radiator shutters.

The trend towards larger vehicles and more efficient utilisation will be continued. The need for economies of scale will also encourage large companies to share their vehicles with other retailers or wholesalers. The NEDO report suggests that the movement from "own-account" to "hired-in" operations will accelerate. Earlier figures suggesting that own-account operations secured better vehicle utilisation than the others are misleading, since the types of operation differ. The shift is likely to be most marked when loads of inter-

mediate size are carried over intermediate distances, where back-loads can be secured more easily by a public operator. A major constraint on the carriage of larger loads is the environmental lobby. Many more local authorities are restricting the routes open to heavy lorries and pressure on the U.K. from her Common Market partners to adopt higher limits on lorry axle-weights has now been lifted.

In addition to relying upon good husbandry, fleet operators must also keep an eye on technological developments: improved engines, new types of engine and better designed vehicles. But the prospects for savings in the short term are very limited as most of these developments have long lead times.

The Parliamentary Select Committee investigated the potential of reducing oil consumption by using an alternative fuel to petrol, or a mix of petrol with other fuels. "Even small changes in the composition of

petrol can have wide repercussions: for example, lead additives improve performance but are a hazard to health."

The Committee found that changes in fuel volatility, designed to increase the amount of petrol produced from a given quantity of oil, were likely to lower motor performance. However, "appreciable savings" might be realised by raising car maintenance and driving standards. Minor technical modifications like the more widespread use of radial-ply tyres might also achieve further economies.

Discussing the question of improvements in car design, the Committee drew particular attention to carburettor improvements, manifold redesign, optimum gearing, and ignition. However, major changes were slow to appear as models tended to run for four years and more.

Ford told us that with development time and tooling lead time, major engineering changes are difficult to implement in less than five years and it takes 11 years to replace 90 per cent of the European car population, the Committee said.

However, one technology already in use which is proving more popular is the diesel engine. A study of energy conservation by the Central Policy Review Staff pointed out 18 months ago that diesel engines were on average 30 per cent more economical on fuel than most petrol engines. As if to prove the point, production of diesel engines throughout the

world has expanded over the past 12 months.

Growth has been most dramatic in light commercial vehicles where diesel's disadvantages of heaviness, noise and lower performance, have been outweighed by fuel economy and low running costs.

Diesel

The number of smaller commercial vehicles fitted with diesel engines this year is thought to have increased by around 15 per cent, throughout the world. So great has demand been that both the major U.K. manufacturers of light diesel, Perkins and Ford, are having difficulty in keeping pace. Both are stepping up investment in production.

In Britain nearly all heavy goods vehicles over 10 tons are diesel powered but the proportion of commercial vehicles below 8 tons is currently only around 30 per cent. However, the advances being made by diesel at the light end, against the background of a steadily declining market, means that by 1978 at least half of the new U.K. registrations in this sector could be diesel powered.

Pressure for fuel economies has also generated renewed interest in the electric vehicle over the past 12 months, particularly in the U.K., Germany, Japan and the U.S. As yet, however, there are no signs of any major breakthrough.

There are already around 45,000 battery powered electric vehicles in use in Britain — most of them as milk floats. But the main limitation to battery power is its weight, the speed at which the batteries run down and the time taken to recharge. The benefits of electric vehicle in terms of energy saving and low pollution are by no means sufficient to outweigh such factors.

Studies published last year by the Transport and Road Research Laboratory pointed out that even a fourfold increase in fuel oil costs would not in itself be sufficient to cause the widespread use of electric vehicle. Nevertheless, the tests continue. Both Lucas and Chloride have started running experiments with bus services in Manchester. The bus services in Manchester, for the use of electric vehicles for long distance haulage, however, are also because of range limitations on the massive battery that would be needed to power a 32-ton lorry.

The vehicle fleet operator whether he is handling cars, vans, lorries or buses, must attempt to balance a number of important factors. Energy conservation will rank among his priorities but may run counter to other objectives. Exactly where to draw the line is a matter for continuous assessment and sophisticated judgment.

Arthur Smith

Planning the fleet

MRS. BARBARA CASTLE'S 1968 Traffic Act began a quiet revolution in fleet planning and departments. What the Act did was to lay down a basic minimum standard for truck maintenance, running conditions and drivers' hours, all desirable moves but all equally demanding extensive change in the average company fleet operations department.

As a result, many companies running their own small fleet departments decided to give up. They turned to the contract hire companies instead, and from that date the industry has shown impressive growth. The biggest company in the field, a division of British Road Services, has registered steady increases in business for each of the past five years, and has even managed to hold steady this year during the recession. Overall it has doubled its size over the five-year period, and has totted up an annual increase in profits.

During the past two or three years another important factor, inflation, has emerged to give an added boost to contract hire. In many companies inflation has imposed quite unprecedented strains on financial resources, and these concerns have sought both to release costs and cut back on the management and financial commitment involved in running their own fleets. Depending on the size of the company concerned, such a policy can make both more operating space and capital available for more immediately productive investment. Taken together, these influ-

ences have given the contract hire business a powerful momentum during the 1970s, and as more legislation is passed to cover the road transport field, the drift away from the owner-operator is expected to continue. The most powerful pressure on the legislative front has come over the past year from the EEC, and it is likely that at least until 1980 the measures to harmonise transport policy within the Community will continue to cause problems for fleet operators.

The problems deriving from legislation can be summarised under two main heads. First, there is the purely administrative burden attached to filling out forms, arranging insurance, making sure that records are up to date, and that vehicles meet all the current regulations on safety and maintenance.

Skilled

Secondly, there is the question of arranging the maintenance itself, running workshops and keeping vehicles in trim so that they meet present-day requirements. The shortage of skilled workshop engineers, and the increasingly high level of professionalism needed to organise big fleet maintenance efficiently, are added complications.

Added to this, there are some more strictly commercial pressures behind the drift to contract hire. Many small and medium-size companies have

traditionally run their vehicle fleet on an ad hoc basis: if the ground floor planning stage, was necessary to the business with many clients. This can get as basic as deciding to move customers from the kind of vehicles they have used for years to something quite different, which BRS might consider more suitable.

Limited

Other companies that use contract hire, of course, may have more limited objectives. For example, in London one of the greatest difficulties facing businesses occupying central area property — publishers are a good example — is garage space. Even those that have room are tending to get rid of garage space because they can use it more productively for other purposes as property becomes more expensive. Hence the objective of going to contract hire in these cases is to find assured garaging space off-centre.

Some large distribution companies, on the other hand, have hired off just a part of their activities to contract hire. There are several reasons for doing this — the business may, for instance, be only a small, marginal part of the company's activities, deflecting attention from the main operations and therefore best left to someone else; or it may be in a locality where the volume of business would not justify heavy investment in a wholly-owned operation.

Although road haulage has 140 depots scattered around the country, it is actually involved at the ground floor planning stage, with many clients. This can get as basic as deciding to move customers from the kind of vehicles they have used for years to something quite different, which BRS might consider more suitable.

The company, which has a vehicle fleet of 6,000 and some gone through a very depressed spell this year, with demand

down overall, there is no doubt that inflationary and legislative pressures are still building up in the industry. The next two years will be a key period from the point of view of reorganisation in the EEC, starting on January 1, when the tachograph regulations came into force as far as the Community is concerned, and running on through the argument over vehicle weights, lighting, braking, safety, pollution and so on. Decisions in all these areas mean that the industry will have to respond with greater professionalism to the increasing regulatory demands.

Inflationary pressures within the industry were held in check over the first nine months, when costs were calculated to have risen by only about 10 per cent. Over the year, they will still be down from the level reached in 1973 and 1974, but the last three months have seen costs leap forward again as the price of diesel fuel went up again by 5p a gallon, and many drivers were awarded the full 56p pay increase under the Government's present policy.

Inevitably, this will force operators to look once again at any possibility of saving and thus contract hire, just as many companies have been reducing salesmen's fleets and going over to hire cars. While most of the haulage industry is looking forward to 1976 with no great hope of improvement, contract hire companies are at least content of holding their own.

Terry Dodsworth



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VEHICLE FLEET MANAGEMENT IV

Drivers' hours dilemma

FLEET OPERATORS have had enough to wrestle with in the present economic situation without the additional uncertainties over whether, and when, they would have to conform to the EEC regulations on drivers' hours and tachographs. As far back as the negotiations over the Treaty of Accession 1971-72, it was agreed that Britain and the two other new Community members would adopt the standard EEC hours from the beginning of 1976 and make EEC-type tachographs a compulsory fitting in stages between January 1976 and December 1977, both rules applying in the main to vehicles of more than 3½ metric tonnes laden weight.

Unfortunately it was not foreseen when this timetable was drawn up that Britain would choose to hold a referendum on EEC membership last summer. Because of the referendum, it was simply not possible for fleet operators, the Government and, for that matter, the tachograph manufacturers and installers—to make really hard and fast plans until the outcome of the referendum was known.

Even when the referendum was out of the way, too little time was left for the industry and Whitehall to make an orderly attempt to meet this month's EEC deadline even if the situation had not been complicated by other factors—which of course it was.

For a start, conforming to the two EEC rules would inevitably have meant some addition to fleet operators' costs, a prospect which could hardly be regarded as acceptable at the present time. According to Dr. John Gilbert, the Transport Minister, the changes in driver's hours alone would have added an extra £100m. a year to industry's costs. Then there is the attitude of the Transport and General Workers Union. This remains one of seemingly implacable hostility even to the "principle" of tachograph use. Even if the TGWU had been wholeheartedly in favour, there remained the barrier posed by the £6 ceiling on pay increases which effectively precluded any real scope for bargaining over changes in drivers' pay so as to accommodate the changes in operating practices

which both EEC rules would involve.

Also relevant was the fact that the present EEC rules on drivers' hours have aroused considerable dissatisfaction among the Six, so much so that an official EEC working party is now considering what changes should be made. Since the present U.K. drivers' hours rules differ from both the existing EEC regulation and any possible modified set of rules the working party is likely to suggest, Britain could genuinely argue that it hardly seemed sensible to force its industry to make two separate changes in its working practices in, probably, as many years. Deference of the obligation to observe the EEC rule (which was adopted by the Six in 1969 and which came into force in 1970) seemed unavoidable.

Sympathetic

Despite the sympathetic understanding shown by most of Britain's EEC partners over these complications, dispensation was not easily secured. The EEC Transport Ministers' meeting last month ended in disagreement, principally because of French opposition (with some Italian support). As a result, Britain had to resort to the procedure available under Article 135 of the Accession Treaty to get the Community's official blessing for a postponement of this particular obligation. Nevertheless, fleet operators can now breathe at least one sigh of relief for the chances are that this particular issue will not recur for probably another two years by which time, one hopes, the present combination of rapid cost inflation and depressed market conditions will be a distant memory.

In the meantime, much will depend upon the progress made by the working party which is considering possible revisions to the EEC hours rules. There is wide support within the Community for relaxation, and perhaps even the total abolition, of the rule requiring a second driver on journeys of more than 450 kms (280 miles) and also for some change in the eight-hour driving day regulation. It is also possible that exemption may be granted for vehicles engaged on limited radius operations, that the threshold may be raised from 3½ metric tonnes gross to perhaps 7½ metric tonnes gross, and that member governments may be allowed to exempt certain categories of domestic operations subject to consultation with the Commission.

Lurking in the background, too, is the question of the Commission's draft second regulation on working practices in road freight transport. Although the Commission says that this should remain in abeyance until the first regulation has been satisfactorily bedded down and enforced, the second regulation could well be caught up in the bargaining over changes in the first. If this should happen, the consequences could be distinctly disagreeable for, as it currently stands, the second regulation would outlaw bonus or incentive schemes for drivers. This would mean that operators would have to accept a cut in driving time without being able to negotiate higher productivity to help offset the extra costs.

Changes in the rules about drivers' hours could also have repercussions on the provisions relating to tachographs. For example, if the 450 kms rule is abolished then operators may not need to use tachographs capable of recording the hours of two drivers on the same vehicle. Furthermore, any changes in the present 3½ metric tonnes threshold for drivers' hours would presumably be carried through into the tachograph rule.

As it is, the tachograph question looks intractable enough. Dr. Gilbert has made it clear that he would like to see the voluntary adoption of these instruments and, for this purpose, the installation and calibration centres which the two principal suppliers—Lucas Kienzle and Smiths Industries—(with Veeder-Root joining in a few weeks' time) have been setting-up will shortly be getting official DoE approval. Since all vehicle manufacturers have been fitting tachographs as standard equipment for some time now and since the EEC regulation merely requires all newly registered vehicles, plus those used to haul dangerous goods, to have tachographs installed and used as from the beginning of this month, the issue is not acute just yet. But by the end of 1977, according to present arrangements, all vehicles both new and existing, will have to be fitted.

Breach

It is, of course, conceivable that this date might be put back, particularly if the revised drivers' hours regulation does not come into effect by that date. But the chances of Britain being allowed to remain in breach of EEC rules for that long cannot be said to be good. Moreover, since well over half a million vehicles would need to have tachographs fitted by then, it would obviously be desirable to arrange for a phased programme of installation—as the Dutch have done. Clearly, the Government is hoping to avoid a major confrontation with the TGWU, with all the wider economic and industrial repercussions that this could involve. But it does not have much time in which to try to appease both the union and our partners in Brussels.

Colin Jones



The new Ford Transcontinental extra heavy truck which has been designed to meet current projected truck legislation across Europe.

Permit quotas under attack

THE INTERNATIONAL haulage industry will be watching carefully this year for signs of an economic upturn within the European Community. For U.K. operators, in particular, depressed demand at a time when inflation has been moving ahead faster than in most of the other Common Market countries has meant a squeeze on margins.

The ferocity of competition within Europe has been highlighted by Mr. W. R. B. Dow, chairman of Norfolk Line. He pointed out that, including British, Dutch, German, Belgian and French hauliers, there are well over 1,000 companies involved in the market and yet those operating more than 200 vehicles can be counted on the fingers of one hand.

"With a drop in total manufacturing output of approximately 7 per cent in Western Europe in 1975, it is hardly surprising that there is an abundance of capacity, many bankruptcies or low profits, and a general movement in the industry from Western Europe to the oil-rich states."

Indeed, given the problems posed by the recession in the domestic market it is only natural for U.K. operators to turn their eyes overseas and particularly towards the expanding trade with the Middle East. Though there have been well-publicised achievements by small operators travelling the vast mileage required for the overland route, this is a venture requiring considerable advance planning and expertise to overcome problems such as extremes of temperature, road hazards, and frontier checks.

One factor common to nearly all the journeys into Europe—whether a short trip to Paris or a long haul through to Jeddah—is the need for a permit. The EEC quota, though an insignificant proportion when compared with permits negotiated on a bilateral basis between countries, has attracted a great deal of attention. Britain's main complaint about the issue is the Commission of permits which allow cross frontier operations within the Community is her meagre allocation compared with the size of the U.K. haulage industry—around 600,000 vehicles.

Thus, in 1975, the U.K. received only 272 permits compared with 437 for West Germany, 400 for France, 382 for Holland and 319 for Italy. The failure of the Council of Transport Ministers to reach agreement in Brussels last month on the level of quotas for this year means they will remain unchanged.

Doubled

A proposal from the Commission that the total allocation should be doubled from 2,285 to 4,726 in 1976, though acceptable to eight of the partners, was vetoed by the German Minister. He recommended that the quota should be confined to a 30 per cent increase but this in turn failed to gather sufficient agreement to make it workable.

Nor will there be any increase this year in the allocation of another system of permits—those issued to allow access to the 18 member states of the

European Conference of Ministers of Transport. The issue of permits negotiated on a bilateral basis with member countries of the EE should not pose any marks restraint upon the activities of U.K. operators, with the possible exception of traffic through West Germany.

Fairly strict quotas imposed by Germany, France and Italy which can pose problems for trans-European traffic but the present economic recession should in the main hold trade within the limits. Thus, though Italy has hardly increased the quota to U.K. hauliers since 1972, this should not cause undue strain unless there is an unexpected spurt in trade. Permits from France have been increased and should prove sufficient.

Though the West German are likely to offer some improvement on the 6,000 permit allowed last year this will by no means meet the demand from the U.K. industry. Germany stands aside one of the popular routes to the Middle East.

However, Germany does offer two alternative ways of crossing the country without the formal permit system, but both are predictably beneficial to German transport interests. Under the "piggy-back" system trailers can be transferred to rail for transport but this is fairly expensive. Also hauliers making use of the U.K. to Hamburg sea service are allowed a special permit to travel through to Eastern Europe.

The problems posed by the difficulty of obtaining permits to gain access to the often lucrative Middle East trade has led to numerous complaints about the activities of "cowboy operators" and the U.K. industry has incurred some opprobrium from allegations that documents have been forged.

Reports of the use of forged documents for journeys to the Middle East led the Road Haulage Association to issue special advice to its international group. Members who found it necessary to sub-contract consignments were advised to check with particular care that the other carrier had the appropriate permits and documents. The Road Haulage Association is also watching carefully the development of another potentially high value trade, on the overland route through North Africa to Nigeria. One of the pioneers of the route across the Sahara Desert is Thomas Bone (Shipping), of Kilmarnock, whose owner is setting up a regular monthly run to Kano. Mr. Bone maintains that, although the risks

CONTINUED ON NEXT PAGE

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Rental systems grow in popularity

ALTHOUGH THE volume of transportation and distribution activity has inevitably slowed down—or indeed gone into reverse—over the last couple of years, vehicle rental, leasing and contract hire have emerged, if not unscathed, at least somewhat healthier than other parts in the transport industry. A combination of rapid inflation in the price of new vehicles, and in maintenance costs against a background of severe company cash-flow shortages has resulted in a thoroughgoing rethink by vehicle fleet managers of their purchasing and hiring policies. In addition, there is a widespread feeling that whatever the short term economic difficulties, rental, contract hire and leasing arrangements, usually falling

are all on a long term growth trend. If the experience on the other side of the Atlantic is any indicator, then hire facilities are still under-utilised in the U.K. For example, it is estimated that only 4 per cent of the U.K. population use car hire, against 7 per cent in the U.S., while leasing is another area which has only taken off in the U.K. over the last few years.

Rental is essentially a short-term operation for periods of anything between a day and six months. Indeed, some companies, for example Ryder, even offer hourly rates on everything from 18 cwt vans to 32-ton tractor units. Both contract hire and leasing are longer term arrangements, usually falling

into the one to three year range. Easily accessible rental facilities are of great benefit to the haulier or distributor because they enable him to maintain a smaller "base" fleet, "renting in" vehicles when there are seasonal or unexpected peaks in demand.

Both contract hire and leasing are alternatives to outright purchase. Originally, the major difference between the two was that leasing tended to be a purely financial arrangement, with no maintenance or replacement clauses in the contract. However, with the growth of the "maintenance" lease, the difference between leasing and contract hire has become less significant.

Restrictive

Apart from financial causes, leasing and contract hire have grown in popularity in the U.K. in recent years because of restrictive legislation. New laws such as the introduction of goods vehicle platooning, the tightening up of testing and new operators' licence provisions have all increased the attractions of "hiving off" vehicle fleet management entirely.

Licensing, insurance and other burdens of ownership have created a large number of problems for hauliers and distributors in recent years, and in the process, placed a premium on the services of the specialist vehicle rental, contract hire and leasing companies.

Among the leading companies in the field, the experience of the U.S.-based Hertz, which has been forced to prune its operation sharply, shedding 30 depots and 200 staff, has proved to be the exception rather than the rule over the last couple of years, although no company's profits have gone entirely unscathed.

Despite the prominence of companies with U.S. parents in the rented and leasing field, such as Hertz, Avis and Ryder, the biggest company in the U.K. market remains Godfrey Davis, which has been in the car rental business in the U.K. since 1922. British Road Services is also playing an increasingly large role. Godfrey Davis's combined car, van and truck rental fleets exceeded 14,000 vehicles in the summer of 1975, with the daily car rental fleet approaching 8,000 vehicles. Godfrey Davis has 220 locations throughout the U.K. and Northern Ireland and is also the official Fly/Drive contractor for British Airways. In contrast to Hertz and Avis,

which tend to concentrate on international business at airports, Godfrey Davis has an arrangement with British Rail with 70 Rail Drive points at RR main line stations.

Although the American-owned Avis has barely a third the sites of Godfrey Davis, its car vehicle fleet is not far behind and it holds the number two position in the U.K. market, having now overtaken the contracted Hertz but finding that it still has to "try harder" to catch up with Godfrey Davis.

According to recent market surveys the British car hire fleet is reckoned to total around 50,000 cars. Around 5m. people rent cars annually but only 500,000 or so of these are regular users, taking out a car more than seven times a year. Of the "regular users," 80 per cent are businessmen, so the business and of the market is extremely important. Nevertheless, during the summer months holiday-makers and tourists are of prime importance but it is the businessman who provides the basic bread and butter business.

As already noted, certain companies tend to concentrate on particular market sectors, with Hertz and Avis doing a lot of airport business and Godfrey Davis having a powerful hold on rail termini. Budget Rent-a-Car tends to concentrate on domestic U.K. business and reckons that the inability of many companies to maintain full fleets because of their cash flow problems has tended to make business hire even more attractive as a short term "stop gap."

Contract

The major manufacturers have also found it necessary to take a growing interest in leasing and contract hire in recent years as the companies to which they sell fleets have found themselves in financial difficulties. Ford, Vauxhall and Chrysler—although significantly having American parents with a great deal of leasing knowledge—have been expanding this side of their business in recent years either through link-ups with finance houses or through credit subsidiaries. Demand for car fleets is becoming more sophisticated and more and more customers are demanding a complete "package."

Of necessity, vehicle fleet managers have had to take a much closer and more critical look at their policies over the past couple of years. As a result rental, contract hire and leasing are all likely to continue to grow in popularity.

Peter Foster



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VEHICLE FLEET MANAGEMENT V

New designs for new conditions

BRING THE large-scale switch freight from the railways to roads over the last 20 years, the design has changed in the main areas. First, trucks have got steadily larger; secondly, they have become more heavily laden; and thirdly, they have become more heavily laden with goods to meet the demands of a more competitive market.

Recent

The breakthrough in truck design in Britain came in 1964, when the Government increased the maximum weight allowed on roads from 24 tons to 32 tons. This allowed the development of the large articulated vehicles, the juggernauts—powered by engines of up to 300 bhp, which have since become a common sight on the roads. With the development of the motorways

starting at about the same time there was ample encouragement for the vast transfer of heavy goods transport to the roads—

on the roads increased from 45 per cent to 67 per cent, measured per ton mile. By 1972, the roads were carrying 76 per cent of all freight per ton mile, but, significantly, the number of commercial vehicles had increased by only 200,000 between 1962 and 1972; since then numbers have been virtually static.

The point about this

marginal increase in lorry

population is that it could only

have been achieved by increasing

the size and weight of the

vehicles in use. Although, of

course, there are distinct

environmental disadvantages to

large vehicles as such—they are

not well adapted to smaller

roads and so on—there are also

some gains: numbers have been

kept down, and although the

carrying capacity of the

vehicles has increased, the size

has not expanded in proportion. This is true even for the next breed of heavy trucks—the 38-tonners—which the industry would like to put into operation at top weight in Britain. There is no necessity for the size of the vehicles to be increased.

There is little doubt in the minds of most hauliers and truck manufacturers that Britain will eventually follow most of its European partners to a higher vehicle weight. But at present, the recession has focused attention on the medium weight trucks in the 12 to 18 ton categories. Sales of these vehicles have held up comparatively well—much better than those of the heavy 28-ton and over vehicles—partly because operators can fill them more readily than larger lorries, and partly because they are

used more in the shorter-haul distribution business which has not suffered such a severe recession as the long haul industry.

Smaller

In this range of vehicles and the slightly smaller trucks one of the most interesting design developments has been in the introduction of the Ford A and D Series vehicles. Both of these have seen Ford moving up in weight from the Transit, in which it formulated its basic concept of a functional vehicle at a competitive price. Both of these heavier vehicles have sold well, challenging some of the craft engineering concepts behind the traditional European vehicle.

At the same time the so-called

Club Four truck, which has brought together four different European manufacturers (Saurer, Magirus, Volvo and DAF) has shown the need for spreading development costs, and achieving manufacturing economies through longer production runs—a well-tried concept in the car and bus manufacturing.

Ford is now applying this principle to its new 32-38 ton Transcontinental truck, which is assembled in Amsterdam from parts shipped in from the U.K. and France.

The launch of the Transcontinental this year was only one of a number of new arrivals in the heavy truck market. These new vehicles—from Fiat, Seddon Atkinson and Bedford—have added to the problem of

over-supply in the industry

which arose about a year ago

as the European economy went

into recession. But the manu-

facturers are confident of the

long term prospects of this

market, and even now the main

points of controversy in vehicle

design are concentrated on this

category of trucks.

The overriding question con-

cerns the gross vehicle weight

restrictions. Currently the

EEC is trying to work towards

some harmonisation between

the different Community coun-

tries, a task complicated by the

fact that there are different

regulations on axle loadings as

well as on overall weight. The

general view is that maximum

weight limits will go up to 38

tons, but meanwhile manu-

facturers have to decide what kind

of strength they should build

regulations.

Vehicle design, however, will probably have to meet new requirements over the next few years in the following areas:

1. Brakes. There are already suggestions that legislators are looking at the question of anti-locking devices on drive axles. 2. Noise. Further attempts to make heavy vehicles quieter both for the public and the driver are expected, although some designers argue that much of the present noise level comes from tyres and hence is very difficult to eradicate. 3. Lighting and visibility. New standards for lighting intensity are on the cards, and there will be further definition of the view from the cab and through the mirrors. 4. Steering. Regulation is expected to concentrate on the effort and time needed to turn a steering wheel, and on improving safety for power-assisted steering.

The pressure towards all of these operating improvements is now building up in Government departments and the EEC, and promises to make the next decade a period of major readjustment in the truck industry.

At the same time it is almost

inconceivable that these devel-

opments will not be accom-

panied by a maximum weight

standard exceeding Britain's

present 32 tons. In an age of

fuel conservation, the arguments

for going up a degree are very

powerful, since it is reckoned

that the heavier vehicles can

give a saving of 15 per cent on

fuel per ton-mile, and an over-

all cost saving of 13 per cent

compared with a 32-ton vehicle.

Terry Dodsworth

The transport manager

IS NOW six years since the present system of "O" or operators' licensing was substituted for the old system of "A," "B" and "C" licences. Since 1970 there has been no legal distinction between commercial and private carriers who make their living by carrying other companies' goods and private carriers who carry their own goods for their own lorries. For this time since the early 1930s, when account carriers—those who act as professional hauliers to other hauliers—have been as much as professional hauliers to other hauliers, should they so choose, a third party traffic.

As far as one can tell from the evidence available, relatively few have done so even today's depressed market conditions. Presumably few own-account operators have considered it worthwhile to try to set the cost of their own fleets this way. In barely two years, however, the opportunity to do so without specific authorisation will cease to exist if the EEC directive, which was agreed by ministerial representatives of the nine member states just over a year ago, is implemented in the manner at the EEC Commission originally envisaged, that most member countries are likely to adopt, and that the two principal U.K. trade associations, representing respectively the professional road haulier and a own-account carrier, are signing on the U.K. authorities.

Minimum

The EEC directive in question is the one which lays down certain minimum standards for entry into the profession of road haulage. According to the directive, all road hauliers operating vehicles of more than 31 metric tonnes payload or 6 tonnes gross weight will (subject to certain exceptions) need to possess, on January 1, 1978, a "transport manager's licence" in addition to their U.K. "O" licence.

To qualify for this new licence the TML—the companies' individuals concerned will have to demonstrate that they are of good repute, that they are of appropriate financial standing, and that they can satisfy certain conditions as to their professional competence. As the directive has two requirements—pure and financial standing—presumably be covered by an existing requirement for an "O" licence, the TML will

basically call for new entrants

to show practical experience or

success in an examination.

The objective underlying this

directive is to establish a form

of qualitative control over

entry into the road haulage

industry as a substitute for the

quantity controls which most

other EEC countries currently

impose on their hauliers. This

in turn forms an essential part

of the arrangements which the

EEC Commission is now en-

deavouring to establish as the

framework for the operations of

road haulage throughout the

Community and, indeed, for the

freight transport market as a

whole.

This is a point worth remem-

bering amid the controversies

which aspects of the EEC direc-

tive—or, more particularly, the

U.K. Government's initial

thoughts on how best to imple-

ment it—are now arousing. For

the Commission is aiming to

base its programme for the har-

monisation of national road

haulage legislation on a wide

measure of liberalisation of the

freight transport market.

Provided carriers of all modes

bear their full share of the

costs of the infrastructure they

use (including the so-called ex-

ternal or social costs) and pro-

vided they maintain certain

minimum standards of quality

of service, the Commission is

saying that all carriers should

be free to compete, at first for

cross-frontier traffic and per-

haps eventually for all traffic,

subject only to intervention by

national authorities in the event

of a "serious disturbance" to

the market such as at times of

recession. For Britain's road

carriers, operating the Commu-

nity's largest vehicle fleet, this

policy has obvious longer term

attractions.

An EEC directive is not the

same as a regulation, however.

Whereas a regulation is directly

applicable throughout the whole

of the Community, directive

merely sets out the objectives

which are to be achieved and

leaves it to the individual

national government to decide

how best to achieve them. In

Britain's case, the Government

is envisaging implementing the

directive by invoking the TML

provisions in the 1968 Trans-

port Act, and this is where the

trouble begins.

From the point of view of

freight operators, this idea has

two disadvantages. In the first

place, the TML provisions in the

1968 Act were designed with

road safety objectives in mind

and so were drawn up

for the overland routes.

On the short haul journeys to the European Continent, road operators can look to continued growth as economic recovery gathers pace. Cross-Channel trade with the Common Market countries has been the fastest growing sector of U.K. non-fuel traffic, rising from 14.5m. tonnes in 1965 (16 per cent of the total) to 27m. tonnes in 1973 (24 per cent of the total). This is a trend which U.K. membership of the Community can only accelerate.

The road haulage industry may be currently grappling with the familiar problems imposed by the trade cycle, but prospects for the future remain good.

Arthur Smith

embrace many small own

account operators. It was also

envisaged that TMLs would be

required on the basis of one per

operating centre whereas the

EEC directive merely stipulates

one per undertaking, which in

an U.K. context would call for

half as many TMLs, possibly

less than half. Other problems

also arise, such as the sanctions

to be imposed on TML holders

and in what circumstances, and

the period of grace allowed

when an operator's TML holder

leaves, retires or dies.

True, there is nothing in the

EEC system to prevent a mem-

ber Government from imposing

stiffer rules on its own nationals

than EEC directives require.

But that is quite a different mat-

ter from invoking a legislative

provision which originally was

conceived for quite different

purposes and which has now

lain dormant on the Statute

Book for seven years.

Colin Jones



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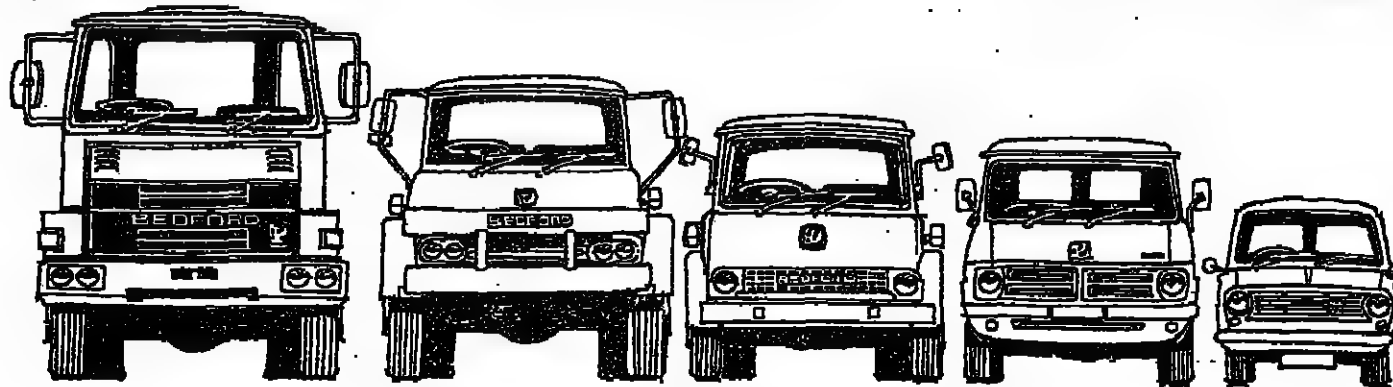
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Permit quotas

CONTINUED FROM PREVIOUS PAGE

id the conditions are much cross-Channel ferry, and driving more than on the Middle East through France to Marseilles to auto, there is considerable connect with another roll-on/roll-off vessel for the journey. The hazards of such a across the Mediterranean to journey include negotiating Beirut. From there it is only a short hop by ferry through the Suez Canal to Saudi Arabia.

The Port of Marseilles has reported an increasing number of British lorries using sea services through to the Middle East, and ro/ro facilities across the Mediterranean are mushrooming. One company pressing to the limit any advantages sea travel may have over land is Seaspeed Ferries, which has launched a Felixstowe to Jeddah service to give direct access to Saudi Arabia. Earlier last year the company opened a service from Felixstowe, Rotterdam and Antwerp to Beirut, Tartous and Mersin. Transshipment by road is offered to "virtually any destination in the Middle East."

Reflecting the move towards overland routes with sea journeys. The permit problems larger ro/ro vessels capable of countering in central Europe, handling heavier freight and in be overcome by using a operating over greater dis-

tances. Seaspeed has three ships under construction in Norway, each able to handle unit loads of 350 tons. This trend can be expected to continue in the immediate future and will provide competition for the overland routes.

On the short haul journeys to the European Continent, road operators can look to continued growth as economic recovery gathers pace. Cross-Channel trade with the Common Market countries has been the fastest growing sector of U.K. non-fuel traffic, rising from 14.5m. tonnes in 1965 (16 per cent of the total) to 27m. tonnes in 1973 (24 per cent of the total). This is a trend which U.K. membership of the Community can only accelerate.

The road haulage industry may be currently grappling with the familiar problems imposed by the trade cycle, but prospects for the future remain good.

Arthur Smith

VEHICLE FLEET MANAGEMENT VI

Buses hit by fares turmoil

BUS OPERATORS are suffering from a U-turn in Government policy. Nineteen-seventy-four was an election year and it suited the Government to encourage the National Bus Company, with its more than 50 subsidiaries, and Labour-controlled local authorities committed to the principle of public transport, to hold down fares.

But last year brought a sharp about-turn as the Government struggled to keep expenditure under control. Exchequer funds made available to support revenue on bus undertakings in the financial year beginning this April have been cutback and their distribution changed, with London Transport and the metropolitan counties taking a smaller share and the shire counties getting a larger proportion of the reduced total.

Mr. Anthony Crosland, the Environment Secretary, has not minced words in spelling out the implications of the move: "This reduction will require fare increases to be made earlier or larger (or both) than previously planned," he told local authorities.

While such sentiments are fine in theory, they have caught the bus industry at a time when price restraint in the face of inflation running at up to 30 per cent. had seriously

depleted funds. The National Bus Company, for example, sounded the alarm bells at the beginning of last year by appealing to the Government for a cash injection of £20m. to overcome its immediate financial crisis. A 35 per cent. fare increase was sought at the same time and another rise of between 15 and 25 per cent. was pushed through during the autumn.

Boosting fares by this amount and in quick succession in order to remove deficits rapidly is bound to create passenger resistance and the industry as a whole has expressed concern at the implications of such a policy.

Profitable

Mr. Tony Harrison, director-general of Greater Manchester Transport, argues that the Government drive to make passenger transport more profitable has been too precipitate. "The correct marketing policy is to go for moderate fare increases at frequent intervals."

He points out that by pursuing a policy of gradual price rises in recent years, Manchester had been able to halt the drift away from public transport. But two fares increases in February and August last year which raised the

average fare by more than 60 per cent. had caused a drop in passenger mileage of more than 18 per cent.

The Labour-controlled Greater London Council, which is responsible for London Transport, has issued a protest at the Government's policy. The transport supplementary grant allowed to London for the next financial year is £36m. (at 1975-77 prices) compared with £53m. this year—a cut in real terms of about a half.

The Labour Party, which took control of the GLC in April, 1973, pledged to a policy of pegging fares, was able to hold out until March last year, but a 26 per cent. rise followed in November and another 25 per cent. increase is scheduled for the middle of this year.

A considerable drop in passenger mileage is anticipated in the wake of these increases and it has only been possible to hold the rises back to these levels by pruning the LT budget to the absolute limit. Indeed, if inflation takes longer to bring under control than the Government officially plans—which seems almost inevitable—the GLC will be confronted with the choice of either cutting services or seeking additional revenue.

Common to nearly all bus operators is the problem of re-

straining costs at a time when the numbers of passengers carried is dropping as a result of higher fares. On most undertakings routes are continuously being re-examined in the search for economies. Not only have many rural areas lost their bus services but even peak hour services in the towns are coming into question.

However, operators do take some consolation from the fact that the £5 wage limit has slowed down the rise in costs, for on most undertakings labour usually accounts for around 70 per cent. of total current expenditure.

The trade unions are certainly aware of the threat which hangs over the industry and the Transport and General Workers' Union has been campaigning for higher subsidies for public transport. Mr. Larry Smith, the national bus officer, suggested that some 10,000 jobs in municipal undertakings could be put at risk as the result of an agreed £8 a week wage increase plus other higher costs.

One of the problems which besets the bus industry at a time of economic boom is labour shortages, but, while this difficulty has receded in the current climate, schedules have nevertheless been disrupted by another factor—a shortage of



London Transport buses in Trafalgar Square.

new vehicles and spare parts.

With a delivery delay of nine months for new vehicles from British Leyland, and up to 15 months for spare parts, London Transport has to resort to hiring coaches from other operators and to putting back into service 1,800 old buses considered to have reached the end of their economic life.

The reasons for the delays go back to the three-day week which created a backlog of orders and to industrial action

by suppliers to British Leyland. Other delays are more general—a worldwide shortage of pistons, for example.

Looking to the longer term, Leyland is anxious to meet the requirements of the bus operators and the first prototype of a new double-deck bus has gone into service with London Transport. Code-named the B15, the bus should go into production at the end of 1977 following extensive tests. Senior executives and engineers from

bus undertakings throughout the country have been consulted on the design for the new vehicle.

Mr. Ralph Bennett, deputy chairman and chief executive of London Transport, has pointed out that 2,500 modifications had to be made to buses currently used in the Capital and it was hoped that such alterations could be made before the B15 production models went into service. Leyland is investing around £13m. in the new bus.

The search for more efficient operations by the bus undertakings is leading to more radical schemes. Local authorities, suffering from a curb on their spending, are increasingly turning to traffic control and giving priority to public transport rather than building new roads.

The most interesting experiment underway at the moment is at Nottingham where for certain hours of the day private motorists are subject to delays so that the buses can have priority. Motorists are encouraged to park at the edge of the city and make use of public transport.

Many more towns are introducing bus lanes which not only speed up journey times but bring the added benefit to the operator that he gets better utilisation of his vehicles. Another idea which is gaining popularity is the dial-a-bus system, which gives the bus something of the flexibility of a taxi service.

An unusual experiment to see whether bus services can be made viable in fairly remote areas is being undertaken in East Anglia. Norfolk County Council has made a contribution to the cost of a mini-bus, serviced by the National Bus Company, and the inhabitants of a group of villages are operating a rota to drive the vehicle themselves.

Despite the current problems which confront the bus industry, it is clear that the operators are not afraid of change and that every effort will be made to retain a strong public transport system.

Colin Jones

Arthur Smith

Environmental issues

IT IS now more than a decade since the Buchanan report compared our urban road system with a pre-Victorian hospital in which, because of the lack of nature and volume of road movement, traffic was obliged to work its way through ward after ward in order to reach its destination. What was needed, the Buchanan committee pointed out, was a network of "strategy routes" to facilitate movement to all parts of the hospital and to relieve the wards, which ought to be treated as "environmental areas," of through traffic.

Buchanan did not say so but the same point could have been made about much of our inter-city road system in the early 1960's. At that stage of the roads programme, too much through traffic was still obliged to force its way through the towns and villages that lay athwart the major arterial routes. There were too few motorways, dual carriageways, and local by-passes to take through traffic around these intermediate points.

The concept which Buchanan illustrated with this simple analogy was obviously a sound one. Indeed, the committee was merely pointing out that our network of urban (and inter-city) roads had been designed for another era. There was a long way to go before the system caught up with the changes that had taken place both in the nature and volume of road movement.

Difficulties

These difficulties did not deter the authorities both at national and local level from making a start. The inter-city roads programme was stepped up first by the Conservative Government in the early 1960s and then by the Labour Government in the middle 1960s. At the local level, the administrations of cities such as London, Glasgow, Leeds, Newcastle, Birmingham, Liverpool, and Bristol all embarked upon the planning and eventually the construction of major Buchanan-style corridor networks.

A reaction was perhaps to be expected. The scale of the plans was large—in the case of London and certain other cities hugely so. The disruption that was implicit in many of them was immense. In all too many cases, the new corridors were planned "on the cheap" in the sense that they were designed with an eye to what was best from a traffic engineering point of view rather than with regard for what was acceptable environmentally as well as in terms of overall resource use.

At the same time, road carriers were discovering the benefits of economies of scale in size of vehicles. This may have meant that the total number of commercial vehicles was hardly increasing at all, despite a substantial year by year increase in the total ton mileage of freight moved by road. But the numbers of really large lorries were growing all too visibly at a time when a modern road system had still to be created. As a result, ever since 1971 successive Governments have set their faces against a further modest increase in the permissive size and weight of lorries despite the urging of vehicle makers and users in Britain

and pressure from our partners in the European Community.

Perhaps inevitably the reaction eventually reached the point where it was thought that a Buchanan system of lorry routes and lorry-free environmental areas could be achieved without the expense and disruption of several decades of major road construction. The Dykes Act in 1973 was not conceived with this particular intention in mind, but other participants in the anti-lorry and improvement—and given for the realities of the role that road transport plays nowadays in the system of production and distribution. It would certainly be possible to abolish the lorry from large tracts of our urban areas but only by adding to by going without the goods and services which those lorries brought. In the long run there can be no overall solution without a measure of road building and improvement—and given the extent of the latest cutbacks in road investment—the long run is likely to be very long indeed.

The pendulum has begun to swing back as local authorities up and down the country have started facing up to the practicalities of implementing the

Dykes Act. It is true that several have yet to heed either the realities of road freight transport or the advice of the Department of the Environment (who have been urging councils to play it cool) and are still toying with comprehensive lorry routing schemes and area bans, regardless both of the competitive requirements of their local industries and of the needs of drivers for intelligible routing signs and access to rest and refreshment points.

But these examples are now tending to become the exceptions. More and more councils are now beginning to realise that very little real environmental improvement can be achieved within the limitations of the present road system.

Compromise

At the same time, road carriers have in turn recognised that finding the right compromise between what is economically acceptable and what is environmentally desirable is not only a matter of road building, traffic management, and parking control. Much of what is environmentally objectionable about road traffic can best be tackled at source—by a progressive improvement in

standards of noise, vibration, and exhaust emission. Much has already been done, nationally and within EEC. Likewise, safety standards have been much improved as a result of the increased legislative attention to standards of lorry construction, maintenance and operation. But more can eventually still be achieved.

Similarly, there is much to be said in favour of the EEC concept of an infrastructure-based system of road user taxation. It is of course true that road users as a whole pay-in taxation much more than the direct (or internal) costs of building and maintaining the road system. It is equally true that developing a satisfactory method of assessing and allocating to road users the full external and internal costs of the road infrastructure is likely to take some considerable time. But so long as these external costs are not quantified and related to road user taxes there will be room for argument about the extent to which the social costs of road transport are covered, especially as to whether particular categories of road users are paying their full share.

Colin Jones

Arthur Smith

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We hire them.
We contract hire them.
We service them.
We repair them.
We insure them.
We fuel them.
We supply their tyres.
We teach your staff to drive them.
We offer them our motorway service station facilities.



Cars, vans, trucks and service for the fleet operator.

Manor Offices, Old Road, Chesterfield, Derbyshire. Tel: 0246 77241
Established 1878. Over 300 depots in UK, Ireland, France & Rhodesia.

Security remains a major problem

ALTHOUGH THE methods of thefts from vehicles and the consequent size of losses varies from year to year, the same basic tenets of vehicle protection remain valid. These are based largely on continual vigilance and the willingness to take precautions where necessary.

The Road Haulage Association continues to be active in its long-term role as advisor to the industry and it believes that operators have been fairly successful in the past year in holding back the tide of thefts. However, concern has been expressed at the continued rise in thefts from inside vehicles and there is now some weight of opinion that the U.K. should follow the lead of the United States in setting up a Commission of inquiry into the problem.

Although hi-jacking has decreased considerably in the past year, the RHA believes that the only way to eradicate it completely is by means of photographs or driving licences. The hope that the introduction of containers would solve the whole problem of thefts has also proved to be unfounded.

Pilfering

Admittedly a great deal of petty pilfering has been stopped, but the incidents in which whole containers are being taken away have increased steadily. It is regarded as far too easy for someone to borrow or steal a towing unit and merely take a container away

with a nod to the man on the gate.

According to the RHA, the efforts by cigarette and liquor manufacturers to cut down the spate of thefts over recent years have proved very successful, but the industries now suffering most are clothing and textiles. Building materials, which have rapidly increased in value, are also being stolen in alarming quantities.

Mr. George Burrows, the RHA's security officer, believes that the responsibility for this kind of theft falls squarely on the shoulders of middle management, whose attitude in many cases is regarded as deplorable. The tendency not to admit that theft is taking place, or writing goods off as misrouted, is known to be widespread. This is felt to be encouragement for those involved in the thefts.

The advice which the RHA and other security specialists offer can only be repeated in the hope that it will eventually become second nature for those involved in prevention of crime. The first point and perhaps the most important is that staff should be carefully vetted before being employed.

It is advisable to take up references over the previous five years and to be suspicious of unexplained gaps. When checking references by telephone be sure that they are in the Post Office directory, as one supplied by a dishonest applicant could be to his accomplice. Until a newly engaged driver has handed over his driving

licence, his P45, national health card and photograph, it is not advisable to allow him to take out a vehicle.

The RHA also believes it is helpful to have a trouble-free cash bonus which can be held wholly or in part as a fine on a driver who does not observe the security drill. An immobiliser or alarm should be fitted in an inaccessible position and the device should not make it necessary for the driver to carry out anything but the normal procedure to stop his vehicle.

All numbers should be removed from starter or ignition switches and security lock keys and the keys to each vehicle should be kept on a ring which is welded so that they cannot be separated. If a vehicle's keys are lost, switches and locks should be changed. It is much cheaper than losing a load, the RHA points out.

Valuable

Drivers of vehicles carrying valuable loads should be advised not to get out of their cabs if stopped. Even if a policeman requests them to do so they should offer to go to the nearest police station. Bolts on the inside of cab doors give added protection against hi-jackers. Furthermore, vehicles should not be left unattended for long periods, especially at night. At no time should keys be left in an unattended vehicle. A stationary vehicle, with its windscreen wipers or indicators operating, gives a clear signal

that it is for the taking. Finally, drivers should be discouraged from using the same cafés at the same time each day, particularly when their vehicles are not parked in sight. They should also be asked to report any suspicious circumstances they see, such as the transfer of goods without apparent reason.

The use of protective devices is still strongly recommended, although the continued refusal of insurance companies to make premium concessions continues to be a contentious subject. When deciding on the protection needed, the RHA advises that certain considerations, such as the type of vehicle and its use, must be borne in mind. Generally speaking, security devices can be classified as physical, electrical or both.

The former can be applied to steering, gear change or brakes and some can be applied to fuel supply. Electrical systems operate on the ignition system and may be linked to an alarm. There are also more sophisticated alarms now on the market which react to metallic vibrations only, obviating false alarms often experienced with pendulum alarms.

But it must be remembered that with all security devices and equipment one is buying time and making the work of the thief more difficult. It is advisable to have a separate source of electrical supply, so that whatever device is fitted cannot be made inoperative.

Lorne Barling

Eleven new Marinas. With no increase in price.

Although we've added a lot to Marina 2's specification, we haven't added to the price. The four new models have been introduced at price levels in proportion to the rest of the range, and unlike most of the competition, Marina prices include automatic seat belts as standard.



Marina 1.5 DL Coupé £1645-02



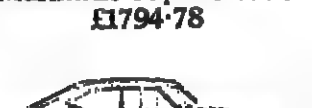
Marina 1.5 DL Saloon £1715-22



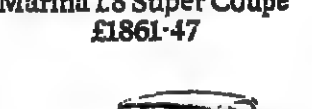
Marina 1.5 Super Coupé £1724-58



Marina 1.5 Super Saloon £1794-78



Marina 1.8 Super Coupé £1861-47



Marina 1.8 Super Saloon £1951-67



Marina 1.8 Special Coupé £2008-89



Marina 1.8 Special Saloon £2068-56



Marina 1.8 GT Coupé £2146-95



Marina 1.8 HL Saloon £2217-15



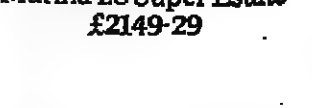
Marina 1.8 Super Estate £2149-29



Marina 1.8 Super Estate £2149-29



Marina 1.8 Super Estate £2149-29



Marina 1.8 Super Estate £2149-29

All above recommended retail prices include car tax, VAT and automatic seat belts. (Number plates and delivery extra.)

Eleven new Marina With increase in price

Although added a lot of Marina 2s, we've added to the range. The new models have introduced price levels, but not of the same quality as the Marina 2s. The new models are standard.

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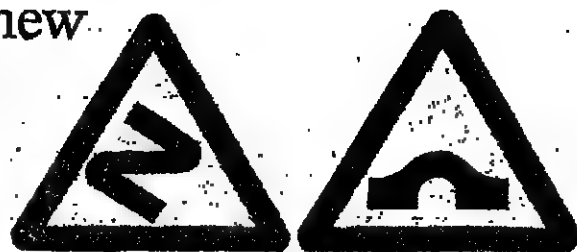
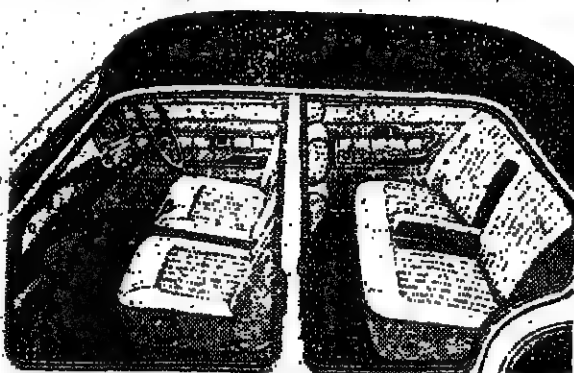
With the of the new Marina 2s, we've added to the range. The new models have introduced price levels, but not of the same quality as the Marina 2s. The new models are standard.

Marina 2

A lot has changed. The price hasn't.

Ever since the Marinas first arrived we've taken care to spell out just why they're such exceptional value for money. Now there's a whole new range of Marinas - five Coupés, five Saloons and an Estate, including four new models: two 1.8 Specials, a GT Coupé and HL Saloon. All of them come with even higher specifications. But with no increase in price. Take the four new models for example.

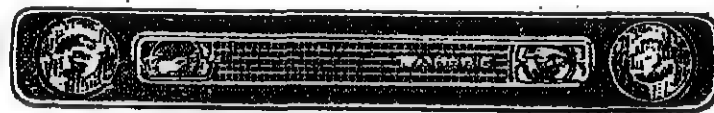
Like all the new Saloons and Coupés they have a new suspension with anti-roll bars front and rear; married to improved rack and pinion steering, it makes for firmer, more positive handling.



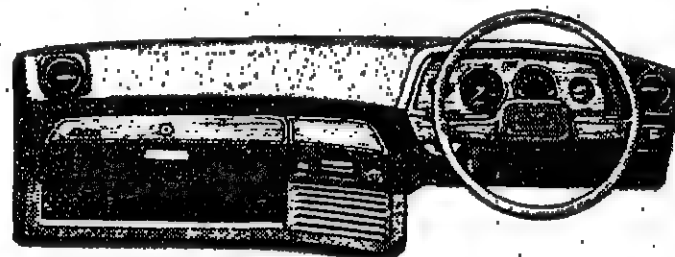
The four new Marinas look even more stylish. Outside, they carry a colour-matched vinyl roof. Inside, the seating is new and includes standard fitted front head restraints and a rear centre armrest.



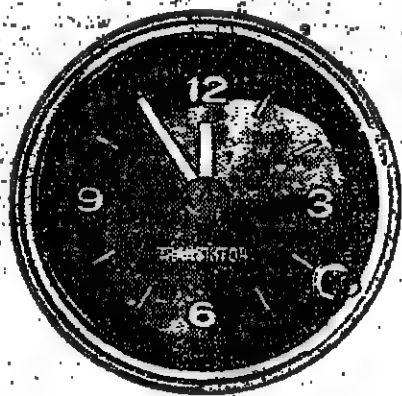
They also come with a more comprehensive lighting system: twin halogen spotlights in the grille, hazard and reversing lights, a glovebox light and even one in the carpeted boot.



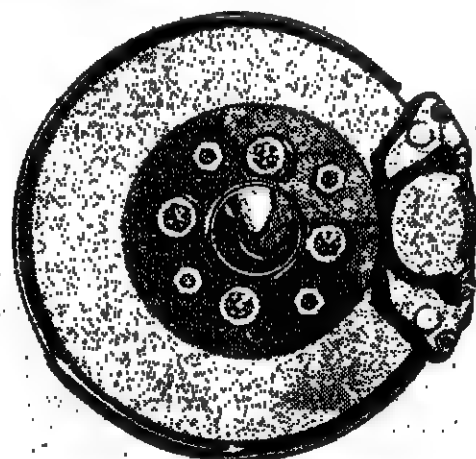
There's a colour-matched, redesigned fascia, with clear, easy-to-read instrumentation, a new steering-wheel and opening front quarter-lights. Added to the already high specification,



which includes electric washers, 2-speed wipers, a clock and cigar lighter, they make the new Marinas even more outstanding value than ever.



And to complement the improved suspension, all Marinas now carry front disc brakes, with servo-assistance on the 1.8 models.



All new Marinas - like all new Leyland cars - are protected by Supercover, the most comprehensive after-sales commitment ever made in Britain.

No more money.

One of the best things about the new Marinas - we haven't increased the prices. They're listed on the facing page. Look at them carefully; you won't find many family economy cars in Marina's range that offer you quite so much as Marina.



1.8 GT Coupé

1.8 Special Saloon

COMPANY NEWS + COMMENT

Ranks Hovis ahead and confident

IN SPITE of current economic difficulties and restrictions in some sectors, the Ranks Hovis McDougall group faces the future with confidence, says the chairman, Mr. Joseph Rank.

The group is broadly based within the food industry in the U.K. and overseas. Trading results so far for the current year are better than those for the same period previously, he tells members.

In the year ended August 31, 1975 there was a substantial overall increase in overseas companies profits, though in some countries results were affected by inflation and a decline in consumer purchasing due to economic conditions.

These factors, rather than price control, were mainly responsible for a slowing down of the rate of growth in Singapore, Malaysia and New Zealand. In the main, operations outside the U.K. are in countries where Government has been "more successful" in containing inflation.

New markets

Experts from the U.K. were affected badly by inflation, the effects of which cannot be fully recovered in selling prices. In spite of this some new markets were opened which "offer real potential for the future."

At home the bakery division made a profit in the second half, so eliminating the serious setback of the first six months when it incurred a net trading loss for the first time ever.

The chairman explains that price control was very largely responsible for the loss, although the national bread strike in December, 1974, and the situation in Northern Ireland contributed.

Changes in the Price Code went some way towards restoring bakery profitability but the bread subsidy scheme put further restrictions on RHM's ability to compete. The overall circumstances compelled the directors to speed up their long-term rationalisation plans by closing 11 bakeries.

Sales of white and Hovis flour were maintained satisfactorily. After the rapid increases in grain costs and flour prices in the previous year, it was possible to stabilise prices as the year progressed. Inflation has affected production costs very badly and we are continuously looking for ways of improving productivity in our four mills.

Changed pattern

On the food side, the second half saw a significant change in the pattern of trade. In spite of the fine summer, economic pressures caused a swing away from the newer convenience foods back to the more traditional products such as flour, suet and porridge. This uplift in sales of McDougalls, Re-Ro and Country Life flour, Atrax and Scott's Porridge Oats has continued into the autumn.

In July the group opened a new basic seed plant at Linton, Cambs.—the first of its kind to be built in the U.K. by a seed retail organisation. It is designed to meet BSC regulations for processing the basic seed which forms the foundation of the British cereal seed industry and, as the largest farm seed retailer in Europe, RHM sees this development as a "very important" step in strengthening its position in this vital market.

As reported on December 3, group sales for 1974-75 totalled £783m. (£770m.) and profits were £30.22m. (£22.53m.). The dividend is 2.5789p (2.5102p).

Additions to fixed assets totalled £19.53m. including expenditure on modernisation and development and on fixed assets of businesses acquired. Total cash consideration involved in acquisitions was £3.06m.

The directors feel unable to

HIGHLIGHTS

The week-end post contained few surprises, apart from the bid by Esperanza for Gellatly, which accompanied the former's half-year profit figures. Avon Rubber also confirmed in its report and accounts that there had been an improvement in current order levels, while the Hanson Trust report elaborates on its U.S. interests. Elsewhere, Lex comments on the state of new insurance figures and on the Ranks Hovis accounts.

quantify realistically the present value of group properties. However, they are considering that although at a lower level than revealed in 1975 (when a surplus over book value of £50m. was shown) such value is "substantially" in excess of net book value.

Including the £15.52m. net proceeds of the rights issue, there was an improvement of £18.58m. in liquid funds, against a £38.60m. decrease previously.

Mr. A. B. Askew, Mr. W. M. Impey and Lord Shawcross are retiring from the Board. Meeting: Royal Festival Hall, S.E., January 29 at noon.

See Lex

Export benefits at Avon

WHILE THE Avon Rubber group is still dependent on the trade level in the U.K., where current low demands seem likely to persist for some time to come, efforts to expand exports are now showing increasingly beneficial results, says chairman Mr. H. C. I. Rogers in his annual review.

He confirms his statement with the preliminary results for the year ended September 27, 1975, reported November 27, that an increased flow of orders, together with measures already taken to eliminate losses, and the on-going efforts to improve efficiency, give confidence that the return to profitability in the second half of that year will be maintained.

Exports last year amounted to 15 per cent. (17 per cent.) of group turnover and further substantial contracts have recently been obtained. Last year's split was: Europe 32 per cent. (31%), North America 16 per cent. (12%) and others 11 per cent. (13%).

Following a first half loss of £762,000, the year under review ended with a loss of £502,550 (profit £1.6m.). A number of factors, the majority non-recurring, contributed to the loss Mr. Rogers explains. Non-recurring items amounted to approximately £1m. while redundancy costs of £700,000 were incurred primarily as a consequence of the substantial decline in output for the motor industry.

Divisional results—
(£m.) Profit 1975 1974
Tires (418.45) 776.40
Motorcycles 349.81 594.73
Safety wheels (121.41) (124.42)
Tyres (228.29) (295.54)
Tech. services (51.83) (14.34)
Specialty polymers (108.18) (130.83)
Industrial polymers (187.12) 728.63
Medicine 65.44 322.84
Instruments 141.47 71.10
Overseas 37.18 128.17
Invest. income 29.73 3.12
Associates 426.31 97.95

A gross dividend of 1p per £1 share (12.778p) is proposed as evidence of the belief in a return to profitability this year.

Following completion of the building programme embarked upon three years ago, the directors see no necessity for additional buildings in the next few years.

Capital expenditure in 1975-76 will be restricted to approximately £2m., a figure only slightly in excess of the annual rate of depreciation.

A medium term loan of £3.5m. repayable over seven years, has been negotiated with Midland Bank and due to strict cash con-

Good order position at Hunslet

THE ORDER book at Hunslet (Holdings), engineers and manufacturers of locomotives, etc., continues to be "satisfactory" for the most part although some sections are suffering from the general recession, reports Mr. Rae Fryers, chairman, in his annual statement.

He indicates that the company may now be "close" within the meaning of the Income and Corporation Taxes Act, 1970. This position, which will be clarified, arose in the normal course of share transactions through the Stock Exchange, which have not involved any directors or any associates or connections of a director, he adds.

As reported on December 15, pre-tax profit improved from £0.25m. to £0.38m. in the year ended July 31, 1975, and dividends are up from 1.7587p to 1.8768p net.

Direct exports amounted to £1.5m., of which Africa accounted for 35 per cent. The Americas 16 per cent. Europe 14 per cent. and Asia 12 per cent.

In the second half there was a marked improvement in turnover and the availability of components: in consequence the company was able to operate at higher levels of activity than had been anticipated.

During the year the Canada company was wound up by voluntary liquidation, outlets to that country continuing under agency arrangements better suited to future requirements. In South Africa, the company has since the year and sold its minority holding in Hunslet Taylor Consolidated (Proprietary) and is currently negotiating arrangements for that market.

Proceeds from sale of the South African shares are held by Hunslet South Africa Holdings (Proprietary) and will be invested "to the best advantage."

A reappraisal of energy consumption has been undertaken and steps are in hand to effect reductions; these have involved the installation of a new and more efficient heating system and a greater concentration of production activity at Kilmarnock and the introduction of a £40,000 programme of heat conservation at Leeds, members are told.

Meeting, Leeds, January 26 at 11 a.m.

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Although primarily a service company to the building industry, Gellatly envisages a steady increase in its penetration of the retail market for items such as kitchens and bathrooms, together with an expansion of factoring interests.

Esperanza services growth

REFLECTING a drop in the contribution from its copper and pyrite interests from £872,000 to £114,000, first half taxable profits of the Esperanza Trade and Transport group declined from £1,475,000 to £1,075,000, with weighted earnings per 151p share shown at 8.0p compared with 6.7p.

Also announced is an agreement to acquire Gellatly Hankey and Co. Gellatly Hankey (Belgium) and Gellatly Hankey et Cie (Dijon) S.A., subject to Esperanza shareholders' approval, and certain formal consents. Purchase consideration of £3.47m. to be satisfied partly in shares and partly by payment of £1.1m. cash. The contribution to profits from the group's international services (insurance loss adjusting, cargo superintending, laboratory services, non-destructive testing and shipping and forwarding) for the six months increased 62 per cent. reflecting the benefits derived from expansion on a worldwide basis.

Profits from this source, the greater proportion of which arise outside the U.K., have risen since 1971 by a 60 per cent. annual compound rate, the directors point out.

Conditions in the copper market did not allow a repetition of the forward sales of production, which were unusually profitable in the previous year, they tell members.

They have declared an increased interim dividend of 1.6p against 1.5p net as dividend distributions are now fully covered by the earnings of the service interests. It is the Board's view that international service earnings are now the predominant factor to be taken into account in assessing the future.

The interim dividend for the year to March 31, 1975 was 3.93p paid from taxable profits of £3.75m.—earnings 12.9p.

Turnover and fees 1975 1974 1973-74
£m. £m. £m.
1975 1974 1973-74
8,998 7,023 16,461
Profit 1,075 1,475 2,731
Interest 1,118 1,475 2,731
Copper & pyrite 114 872 1,573
Growth 148 80 229
Taxes 448 708 1,296
Minority 40 21 128
Agriculture 89 454 1,257
Dividends 130 145 309
Grants 10 10 10
Overall tax charge for the six months abnormally low due to special circumstances in a number of subsidiaries.

comment

The £21m. bid by Esperanza for Gellatly includes £13.1m. worth of shares, representing an increase in the issued share capital, at 80p per share, of 16 per cent. The cash element of £1.1m. is being covered by a five year bank loan, but this matches the liquid assets of Gellatly to be brought in, and Esperanza could cover the cash element out of its own resources judging by the last balance sheet, which showed net liquidity approaching £1m. Meanwhile, Gellatly is trading at over 51m. profit pre-tax on an annual basis, which will give Esperanza's fast growing international services division a shot in the arm on the marine side where it is traditionally weaker. Profits from the copper operations slumped £1m. at the half way point, but this reflects a lower copper price averaging between £500 and £550 per ton—against a peak of £1,400 a ton reached in 1974. The shares remained unmoved on the announcement, where Esperanza is capitalised at £8.6m. and yielding a prospective 7.5 per cent.

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DIVIDENDS ANNOUNCED				
Current payment	Date of payment	Corr. of payment	Total for year	Total last year
Esperanza Trade* 1.6	April 2	1.5	—	5.98
* Pence per share net.				

Financial strength at Hanson

THE CONTINUED growth overseas of Hanson Trust, with particular emphasis on the U.S., has been the principal feature of the year to September 30, 1975, stresses chairman Mr. James Hanson in his annual statement.

The recently-acquired Carlsbrook Industries, is already benefiting from the signs of recovery in the U.S. economy, he says.

Hanson is now becoming well established in basic industries in the U.S. and intends to pursue this development. The total investment there, financed by locally generated funds and borrowing, exceeds £23m.

With the addition of Carlsbrook, it is anticipated that sales in the current year will reach at least £100m. "Our ability to build up a strong asset base while maintaining a high level of liquidity, is a vital factor in achieving secure and steady growth," Mr. Hanson adds.

The group starts 1976 with a market capitalisation which places it in the top 100 U.K. quoted companies and its financial strength, supported by cash and deposits in excess of £50m., gives it "the ability to maintain growth both at home and overseas as suitable opportunities occur."

The U.S. economy has started an upward trend but prospects everywhere for 1976 are un-

certain. This will undoubtedly be a testing year," the chairman warns.

Pre-tax profit in 1974-75 increased by 16 per cent. to £12.1m. (£10.4m.), earnings per 25p share rose 10 per cent. to 8.8p (8.3p) and assets per share 18 per cent. to 72p (61p). A net final dividend of 2.7274p per share makes the maximum permitted 6.7274p (4.9301p).

The profit derives from agricultural equipment distribution, construction materials, construction equipment and industrial services within the U.K. and from parallel investments in the U.S. Despite the housing shortage and the need for capital investment in the U.S., the recent upward trend in demand for products from the building industry, in which the group is so much involved, has yet to become established.

Agricultural equipment distribution has had a "good" year, particularly in Scotland and favourable trends in the U.S. have enabled the agriproducts division to produce "excellent" results.

A statement of sources and application of funds shows a net increase in liquidity of £2.61m. Cash increased by £7.79m., while loans rose by £1.6m., overdrafts by £1.32m., and purchase consideration payable by £2.77m.

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Table with 3 columns: Date, Announcement, and Rate. It lists various financial rates and announcements from January 1st to January 5th, 1976.

cal Authority Investments

Authority loan rates... The one-year rate is 11.11 per cent. The one-year rate is 11.11 per cent. The one-year rate is 11.11 per cent.

Public Works Loan Board rates

Table with 3 columns: Years, Instalments, and Rate. It shows the rates for Public Works Loan Board instalments for different periods.

Recent Issues

Table with 3 columns: Issue, Price, and Yield. It lists recent issues and their corresponding prices and yields.

Fixed Interest Stocks

Table with 3 columns: Stock, Price, and Yield. It lists fixed interest stocks and their corresponding prices and yields.

"Rights" Offers

Table with 3 columns: Stock, Price, and Yield. It lists "rights" offers and their corresponding prices and yields.

INTERNATIONAL COMPANY NEWS

STOCK MARKET ROUND-UP

W. Germany ends 1975 on buoyant note

WEST GERMANY'S Stock Exchange enjoyed a merry Christmas... The market hit its high for the year on December 29, when the Commerzbank Index closed at 780.

Surprises in store at Nationale

THE total turnover of Nationale... The board, however, saw no reason to change the forecast made after publishing the half-year result.

World Economic Indicators

Table with 3 columns: Country, Index, and % change. It shows world economic indicators for various countries.

Money & Exchanges

Bank of England Minimum... The foreign exchange market was very quiet for the most part last week, with trading subdued around the New Year holiday.

EXCHANGE CROSS-RATES

Table with 3 columns: Currency, Rate, and % change. It shows exchange cross-rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table with 3 columns: Currency, Rate, and % change. It shows euro-currency interest rates for various currencies.

SPECIAL DRAWING

Table with 3 columns: Drawing, Rate, and % change. It shows special drawing rates for various currencies.

MINING NOTEBOOK

Australians make a case for MIM Holdings

Planet Gold. The main message for shareholders is that it is at least still in existence. Moreover, the chairman Mr. John G. Fuller is still hopeful. He needs to be with the shares hanging around 50 cents in Sydney.

Not only Mt. Isa

Looking ahead, apart from MIM's established resources at Mount Isa, it is considered that much more will be discovered in the undeveloped deposits, reckoned to be more than those held by any other Australian company.

INSURANCE

The price of reform

BY OUR INSURANCE CORRESPONDENT... IN THE FEW weeks before Christmas there was once again a lot of emotive—and, in some cases, ill-informed—comment in some sections of the popular Press on the general subject of injury compensation, and more particularly on the alleged inadequacy of the offers made to some of the relatives of those killed in the Moorgate tube disaster.

NatWest grant of £30,000 for jobs scheme

By Donald Maclean... NATIONAL Westminster Bank has allocated up to £30,000 to help sponsor projects covered by the Manpower Services Commission's job creation programme.

WEEKLY AVERAGES OF U.K. INDICES

Table with 3 columns: Index, Jan. 2, Jan. 3, Jan. 4. It shows weekly averages of U.K. indices for the first four days of January 1976.

EUROBONDS

Lively start to the New Year

BY PAULINE CLARK

THE EUROBOND market has got off to an impressive start in the New Year with an upsurge of new issue activity and buoyant prices in the secondary market.

But new issues in this more marked than in the Canadian dollar sector, where yet another high-quality issue is expected shortly of \$350m. from the U.S. Triple-A rated Du Pont.

Signs of selling elsewhere in the Canadian dollar sector are already reported in anticipation of the issue. Maturity is five years at 9.5 per cent.

The current boom in Canadian dollar issues has taken some

quarters by surprise. The remarkable recent of the 15 per cent tax on Canadian securities sold abroad (with maturities of five years or more) was expected to do more to boost the domestic bond market—possibly at the expense of the Eurobond sector.

However, the high yields being offered on the Canadian home market have apparently not been compensation enough for the loss of maturities so the current spate of foreign borrowing by both Canadian private companies and public authorities has been well received. After some \$200m. worth of issues since the removal of withholding tax in Canada was anticipated last June,

the market seems nowhere near saturated.

Meanwhile, in the U.S. dollar sector, five issues totalling \$262.5m. were scheduled this week and more are expected next. After its recent activities in the West German bond market and in the U.S. domestic market, the European Coal and Steel Community (ECSC) is starting the year with two issues of bonds and notes in the Eurobond market worth \$50m. The five-year note issue is significant for its 8.75 per cent coupon, which is back to the lowest coupon rate recorded since the fall in interest rates at the end of 1974. The second tranche consists of ten-year bonds with coupons of 9.25 per cent.

Hutchinson's Alltrak provisions

HONG KONG, Jan. 4

THE REMAINING provisions to be made under the Hutchinson International (HIL) accounts to take account of the problems of the Alltrak group of companies are likely to total around HK\$30-40m, according to Hutchinson executive, W. R. A. Wyllie.

This should be shown in the accounts for the nine-month financial year ended December 31.

Wyllie said he has set an end-market deadline for the preparation and audit of these accounts and said an AGM might be held around the end of May.

Earlier this week, Wyllie said that agreement had been reached with Flat-Allis Construction Machinery under which all litigation pending on the Alltrak situation would be withdrawn, including that involving other parties.

Claims against Hutchinson over Alltrak totalled \$92.4m. Wyllie said the company had rolled up losses of some HK\$75m. on Alltrak since the group was set up but certainly not exceeded, but is also unlikely to be reduced.

HIL's accounts for the financial year ended March 31, 1975 include the cost of provisions of HK\$4.3m. for Alltrak.

Asked about the balance of the HK\$75m. loss estimated after the HK\$4.3m. and HK\$30-40m. provision, Wyllie said this had already been covered in Hutchinson's accounts, but was unable to give details.

He added the HK\$3.5m. paid to Flat-Allis under the recent agreement was not compensation. It was for equipment received by the Alltrak group and either sold or remaining in Alltrak stocks.

The 85 tractors and spare parts, worth over \$850m., to be returned to Flat-Allis under the agreement are a separate matter and these goods should in fact just be transferred to the Flat-Allis yards in Singapore.

Hutchinson will do all it can to help move the returned equipment and the new three-year dealership agreement with Flat-Allis in Singapore is particularly significant in this context, as such agreements normally cover 12 months.

Wyllie also confirmed that Hutchinson plans to establish a properly staffed and planned tractor marketing operation in Singapore to support its Indonesian operations.

He also expects the Alltrak group to record a profit in the latter part of 1976.

Reuter

AUSTRALIAN WEEKLY LIST

Company	Dec. 31	Dec. 28	Change
Advertiser Newspapers	10.50	10.48	-0.02
Amalgamated Bank	10.50	10.48	-0.02
Amalgamated Finance	10.50	10.48	-0.02
Amalgamated Insurance	10.50	10.48	-0.02
Amalgamated Property	10.50	10.48	-0.02
Amalgamated Services	10.50	10.48	-0.02
Amalgamated Stores	10.50	10.48	-0.02
Amalgamated Transport	10.50	10.48	-0.02
Amalgamated Utilities	10.50	10.48	-0.02
Amalgamated Wholesale	10.50	10.48	-0.02
Amalgamated Workers	10.50	10.48	-0.02

TEL AVIV STOCK EXCHANGE

Company	Price	Change
Bank of Israel	208.5	-1.0
Bank Leumi	210.0	-1.0
Bank Paribas	211.0	-1.0
Bank of America	212.0	-1.0
Bank of Commerce	213.0	-1.0
Bank of England	214.0	-1.0
Bank of France	215.0	-1.0
Bank of Germany	216.0	-1.0
Bank of Italy	217.0	-1.0
Bank of Japan	218.0	-1.0
Bank of London	219.0	-1.0

HONG KONG

Company	Jan. 3	Jan. 2	Change
Amalgamated Bank	10.50	10.48	-0.02
Amalgamated Finance	10.50	10.48	-0.02
Amalgamated Insurance	10.50	10.48	-0.02
Amalgamated Property	10.50	10.48	-0.02
Amalgamated Services	10.50	10.48	-0.02
Amalgamated Stores	10.50	10.48	-0.02
Amalgamated Transport	10.50	10.48	-0.02
Amalgamated Utilities	10.50	10.48	-0.02
Amalgamated Wholesale	10.50	10.48	-0.02
Amalgamated Workers	10.50	10.48	-0.02

SINGAPORE STOCKS

Company	Jan. 3	Jan. 2	Change
Amalgamated Bank	10.50	10.48	-0.02
Amalgamated Finance	10.50	10.48	-0.02
Amalgamated Insurance	10.50	10.48	-0.02
Amalgamated Property	10.50	10.48	-0.02
Amalgamated Services	10.50	10.48	-0.02
Amalgamated Stores	10.50	10.48	-0.02
Amalgamated Transport	10.50	10.48	-0.02
Amalgamated Utilities	10.50	10.48	-0.02
Amalgamated Wholesale	10.50	10.48	-0.02
Amalgamated Workers	10.50	10.48	-0.02

CORAL INDEX

Company	Price	Change
Bank of Israel	208.5	-1.0
Bank Leumi	210.0	-1.0
Bank Paribas	211.0	-1.0
Bank of America	212.0	-1.0
Bank of Commerce	213.0	-1.0
Bank of England	214.0	-1.0
Bank of France	215.0	-1.0
Bank of Germany	216.0	-1.0
Bank of Italy	217.0	-1.0
Bank of Japan	218.0	-1.0
Bank of London	219.0	-1.0

JOHANNESBURG

Company	Price	Change
Amalgamated Bank	10.50	-0.02
Amalgamated Finance	10.50	-0.02
Amalgamated Insurance	10.50	-0.02
Amalgamated Property	10.50	-0.02
Amalgamated Services	10.50	-0.02
Amalgamated Stores	10.50	-0.02
Amalgamated Transport	10.50	-0.02
Amalgamated Utilities	10.50	-0.02
Amalgamated Wholesale	10.50	-0.02
Amalgamated Workers	10.50	-0.02

INDUSTRIALS

Company	Price	Change
Amalgamated Bank	10.50	-0.02
Amalgamated Finance	10.50	-0.02
Amalgamated Insurance	10.50	-0.02
Amalgamated Property	10.50	-0.02
Amalgamated Services	10.50	-0.02
Amalgamated Stores	10.50	-0.02
Amalgamated Transport	10.50	-0.02
Amalgamated Utilities	10.50	-0.02
Amalgamated Wholesale	10.50	-0.02
Amalgamated Workers	10.50	-0.02

CANADIAN WEEKLY LIST

Company	Price	Change
Amalgamated Bank	10.50	-0.02
Amalgamated Finance	10.50	-0.02
Amalgamated Insurance	10.50	-0.02
Amalgamated Property	10.50	-0.02
Amalgamated Services	10.50	-0.02
Amalgamated Stores	10.50	-0.02
Amalgamated Transport	10.50	-0.02
Amalgamated Utilities	10.50	-0.02
Amalgamated Wholesale	10.50	-0.02
Amalgamated Workers	10.50	-0.02

PTT chooses dataprocessing system

PARIS, Jan. 4. SESA has been chosen as the contract manager to establish a public dataprocessing system, French postal and telecommunications sources (PTT) have said.

The system, called "Transpac", is due to operate from the last quarter of 1977 and will cost around Frs200m.

SESA will be responsible for designing the service, while telecommunications equipment will be supplied by a subsidiary of Gecelampabreken, will supply the equipment.

The 24-hour system will have 13 access points when it starts, in Paris (2), Bordeaux, Dijon, Lille, Marseilles, Nancy, Orleans, Strasbourg, Toulouse, and Valenciennes, enabling 1,500 clients to use it.

AUSTRALIA

Company	Price	Change
Amalgamated Bank	10.50	-0.02
Amalgamated Finance	10.50	-0.02
Amalgamated Insurance	10.50	-0.02
Amalgamated Property	10.50	-0.02
Amalgamated Services	10.50	-0.02
Amalgamated Stores	10.50	-0.02
Amalgamated Transport	10.50	-0.02
Amalgamated Utilities	10.50	-0.02
Amalgamated Wholesale	10.50	-0.02
Amalgamated Workers	10.50	-0.02

INDUSTRIALS

Company	Price	Change
Amalgamated Bank	10.50	-0.02
Amalgamated Finance	10.50	-0.02
Amalgamated Insurance	10.50	-0.02
Amalgamated Property	10.50	-0.02
Amalgamated Services	10.50	-0.02
Amalgamated Stores	10.50	-0.02
Amalgamated Transport	10.50	-0.02
Amalgamated Utilities	10.50	-0.02
Amalgamated Wholesale	10.50	-0.02
Amalgamated Workers	10.50	-0.02

CANADIAN WEEKLY LIST

Company	Price	Change
Amalgamated Bank	10.50	-0.02
Amalgamated Finance	10.50	-0.02
Amalgamated Insurance	10.50	-0.02
Amalgamated Property	10.50	-0.02
Amalgamated Services	10.50	-0.02
Amalgamated Stores	10.50	-0.02
Amalgamated Transport	10.50	-0.02
Amalgamated Utilities	10.50	-0.02
Amalgamated Wholesale	10.50	-0.02
Amalgamated Workers	10.50	-0.02

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Indices

NEW YORK

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

STOCK AND BOND YIELDS

Index	Jan. 3	Jan. 2	Change
10-yr. Gov. Bond	10.50	10.48	-0.02
5-yr. Gov. Bond	10.50	10.48	-0.02
1-yr. Gov. Bond	10.50	10.48	-0.02
10-yr. Corp. Bond	10.50	10.48	-0.02
5-yr. Corp. Bond	10.50	10.48	-0.02
1-yr. Corp. Bond	10.50	10.48	-0.02

FRIDAY'S ACTIVE STOCKS

Company	Price	Change
Amalgamated Bank	10.50	-0.02
Amalgamated Finance	10.50	-0.02
Amalgamated Insurance	10.50	-0.02
Amalgamated Property	10.50	-0.02
Amalgamated Services	10.50	-0.02
Amalgamated Stores	10.50	-0.02
Amalgamated Transport	10.50	-0.02
Amalgamated Utilities	10.50	-0.02
Amalgamated Wholesale	10.50	-0.02
Amalgamated Workers	10.50	-0.02

TORONTO

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

MONTREAL

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

COMBINED INDEX

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

JOHANNESBURG

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

AMSTERDAM

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

BRUSSELS/LUXEMBOURG

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

STOCKHOLM

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

COPENHAGEN

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

OSLO

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

TOKYO

Index	Jan. 3	Jan. 2	Change
Dow Jones Industrial	1,000.00	998.00	+2.00
Dow Jones Transport	1,000.00	998.00	+2.00
Dow Jones Utility	1,000.00	998.00	+2.00
Dow Jones Foreign	1,000.00	998.00	+2.00
Dow Jones Total	1,000.00	998.00	+2.00

HONG KONG

18g	22½	Comm'wth Edison	301½
26g	51½	Comm'wth Oil Ref	91½
51g	23½	Comm-Satellite	26½
5	71½	Con. Edison N.Y.	15½
15g	12½	Consol Foods	21½
7	21½	Conoco Nat. Gas.	25
2g	97½	Consumers Power	19½
33g	22½	Continental Can.	27½

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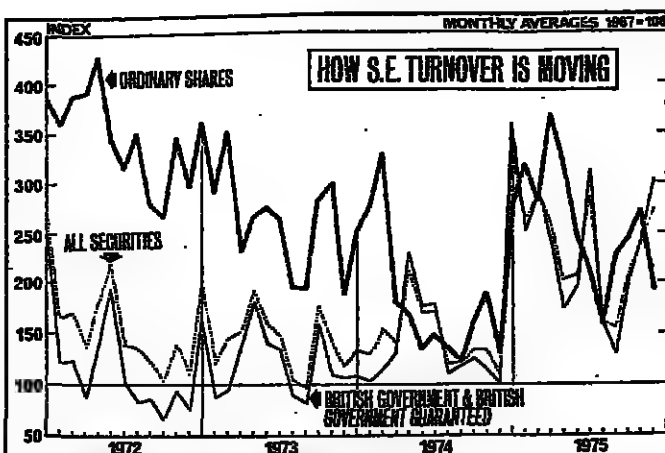
Gilt trading, 76% up, sets record

BY GEOFFREY FOSTER

STOCK EXCHANGE trading in 1975 was featured by record business in gilt-edged securities. Ordinary shares saw a rise of just over 39 per cent, on a year which was dominated by inflationary and currency fears, and worries about the extent of the Government's borrowing requirement. The peak of activity in gilts reached the highest level since figures were first published in 1964. Business in gilts for the year rose by a remarkable £29.2bn, or nearly 76 per cent, to £67.2bn. This took in the monthly record of £8.4bn in January. Trade in short-dated issues, at £41.2bn, contributed more than half of the total, and compares with the record £47.4bn achieved in 1971. As a whole, the number of gilt-edged bargains was around 28 per cent up on the previous year at 688,998.

The Financial Times Turnover Index for Government Securities recorded its highest ever monthly average at 297.2 against the previous year's average of 135.0. 1975's 125.3, 1974's 117.3 and the previous peak of 198.4 attained in 1971.

Trading volume in Ordinary shares also picked up sharply from the four-year low recorded



in 1974. Last year's exceptional bull market saw turnover in business in gilt-edged securities. Ordinary shares saw a rise of just over 39 per cent, on a year which was dominated by inflationary and currency fears, and worries about the extent of the Government's borrowing requirement. The peak of activity in gilts reached the highest level since figures were first published in 1964. Business in gilts for the year rose by a remarkable £29.2bn, or nearly 76 per cent, to £67.2bn. This took in the monthly record of £8.4bn in January. Trade in short-dated issues, at £41.2bn, contributed more than half of the total, and compares with the record £47.4bn achieved in 1971. As a whole, the number of gilt-edged bargains was around 28 per cent up on the previous year at 688,998.

Category	Value of all purchases and sales £m.	% of total	Number of bargains	% of total	Average value per day £m.	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	3,744.0	42.0	19,773	5.2	178.3	189,347	941
Others	3,383.3	38.0	33,501	8.9	161.3	107,141	1,595
Overseas Govt. Provincial and Municipal	217.9	2.4	2,271	0.6	10.4	95,948	108
Fixed Interest Stocks Pref. and Prefd. Ordinary Shares	357.8	4.1	5,910	1.6	17.0	60,537	282
Ordinary Shares	12.5	0.2	1,432	0.4	0.4	8,721	68
TOTAL	116.0	1.3	29,462	7.9	5.6	4,006	1,403
	1,068.8	12.0	283,225	75.4	50.9	3,776	13,472
	8,908.3	100.0	375,674	100.0	424.2	23,713	17,889

year, 148.4 in 1973, 157.0 in 1972 and was some 34 per cent above the previous best of 178.5 recorded in 1971.

Over the year, gilt-edged prices as measured by the FT Government Securities Index rose by about 20 per cent, while prices of Ordinary shares, 148.4 in 1973, 157.0 in 1972 and was some 34 per cent above the previous best of 178.5 recorded in 1971.

Business volume in Ordinary shares, however, declined in the traditionally quiet holiday month even though there was one more trading day in December. The month's total of £1.1bn, was £0.4bn down on November's £1.5bn, but still £0.2bn higher than August's low of £0.9bn.

Fewer dealings

The number of bargains in Ordinary shares fell by 88,446 to 283,225 and the average value per bargain declined slightly, from November's £3,997 to £3,776.

The F.T. Turnover Index for Ordinary shares in December was 190.9 against the previous month's 272.3 and the 1975 high and low of 365.0 (April) and 168.0 (August) respectively.

Overall, the performance of gilts helped turnover in All Securities to rise in December by just over £1bn, to £5.9bn, some 18 per cent off the all-time record of £10.9bn achieved last January. The F.T. Turnover Index for All Securities improved in December to 273.0 which compares with November's 240.0, September's 1975 low of 163.7 and January's 1976 peak of 335.8.

LLOYDS BANK BASE RATE

Lloyds Bank announces that, with effect from Monday 5th January 1976, its Base Rate for lending is reduced from 11% to 10%.

The rate of interest allowed on seven-day notice Deposit accounts and on Savings Bank accounts is reduced from 7% to 6%.



As measured by the Industrial Ordinary share index, jumped by 133 per cent.

December proved to be another good month for gilts. Turnover rose £1.4bn, to £7.1bn, the highest since July's £7.3bn, and some £4bn, above September's depressed level of £3bn.

The improvement was largely due to increased activity in short-dated stocks. Business volume here rose by a little over £1bn, to £3.7bn. Trade in other fixed-interest stocks increased by just £0.3bn, to £3.4bn.

Bargains, however, fell by 10,800 on the month to 59,274 with the decline in short-dated stocks being a mere 1,080 of the total. The average value per bargain was, in fact, up £20,454 to £189,347 in the shorts and up £9,388 to £101,141 in other securities.

The FT Turnover Index for

THE JOBS COLUMN

Pillar of wisdom, Jeeves

BY MICHAEL DIXON

"IF YOU HAD NOT been born you, who would you like to have been?"

Faced by this vain question not long ago, I replied: "A cross between T. E. Lawrence and P. G. Wodehouse." Can it be coincidence, I wonder, which now faces me with a job which seems tailor-made for that particular combination of talents?

It is being offered, without specification as to salary, by the consultant John Anderson. He is seeking a young man to act as personal assistant to a wealthy Arab businessman on his frequent trips to Europe. The only essential, he says, is the ability to mix at all levels and he, too, feels that the job might well interest a budding writer or artist.

base in both cases is North London.

One job is for a field sales manager to head a small but growing sales force. Salary plus commission will not be less than £5,000, and should be £8,000 to £7,000.

The other is for a manager of the watch-making department, to lead about 35 people and to be responsible for assembly, after-sales service, warehousing and distribution. Salary about £4,500 to £5,000. People able to show their suitability for either should contact Willy Herrmann, the chairman, at Trafalgar House, Grenville Place, Hale Lane, London NW7 3SA; tel. 01-906 0311.

Applications to Mr. G. Potts, the group personnel director, at Avenue D, Thorp Arch Trading Estate, Wetherby, West Yorkshire LS23 7BW—telephone Boston 843125.

QUALIFIED electrical engineers are needed in various parts of the country to join a small of specialist group working within the Factory Inspectorate as part of the Health and Safety work.

F. J. Wallis, Perivan's managing director, indicates that the salary—there is no commission as such—will be more than £8,000. Perks include a car.

Interested people with appropriate experience should contact Mr. Wallis at Eastwood Industrial Estate, Southend-on-Sea, Essex SS9 5LA—telephone Southend-on-Sea 524524.

Lea group subsidiary which has its main plant at Southend, is looking for a printing industry sales executive. The company has recently installed an extra Roland Rakord 4 colour press, and I gather that the main task of this job is to see that this machine is occupied with profitable high-quality colour-printing work.

Interested people with appropriate experience should contact Mr. Wallis at Eastwood Industrial Estate, Southend-on-Sea, Essex SS9 5LA—telephone Southend-on-Sea 524524.

A DISTRIBUTION manager is needed for Geo. A. Moore—the biggest subsidiary company of Moores Management and Finance, of Wetherby in West Yorkshire. The company, which has lately moved into exporting, manufactures and ships cabinet furniture to Europe and the Middle East as well as to all parts of the United Kingdom. The search is for someone with experience of running a fleet of vehicles, of warehousing, and of exporting. Someone, moreover, who evidently possesses leadership, numeracy and a level of intellect popularly, though not always intelligently, associated with the word "graduate."

Salary up to £8,000. Car. PERIVAN PRESS, a Williams Forest Row 2101.

Candidates must be chartered electrical engineers with at least three years post-qualification experience including the installation, operation and maintenance of large electrical systems. Basic salary scale is £5,655 with an allowance of up to £7,810 if based in London. Inquiries to the Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB—tel. Basingstoke 68551 or for a 24-hour answering service, 01-839 1992. Quote reference T/9214. Closing date January 28, 1976. Sussex RD19 3RX—telephone Forest Row 2101.

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BANKING APPOINTMENTS

AN ARABIAN GULF BANK

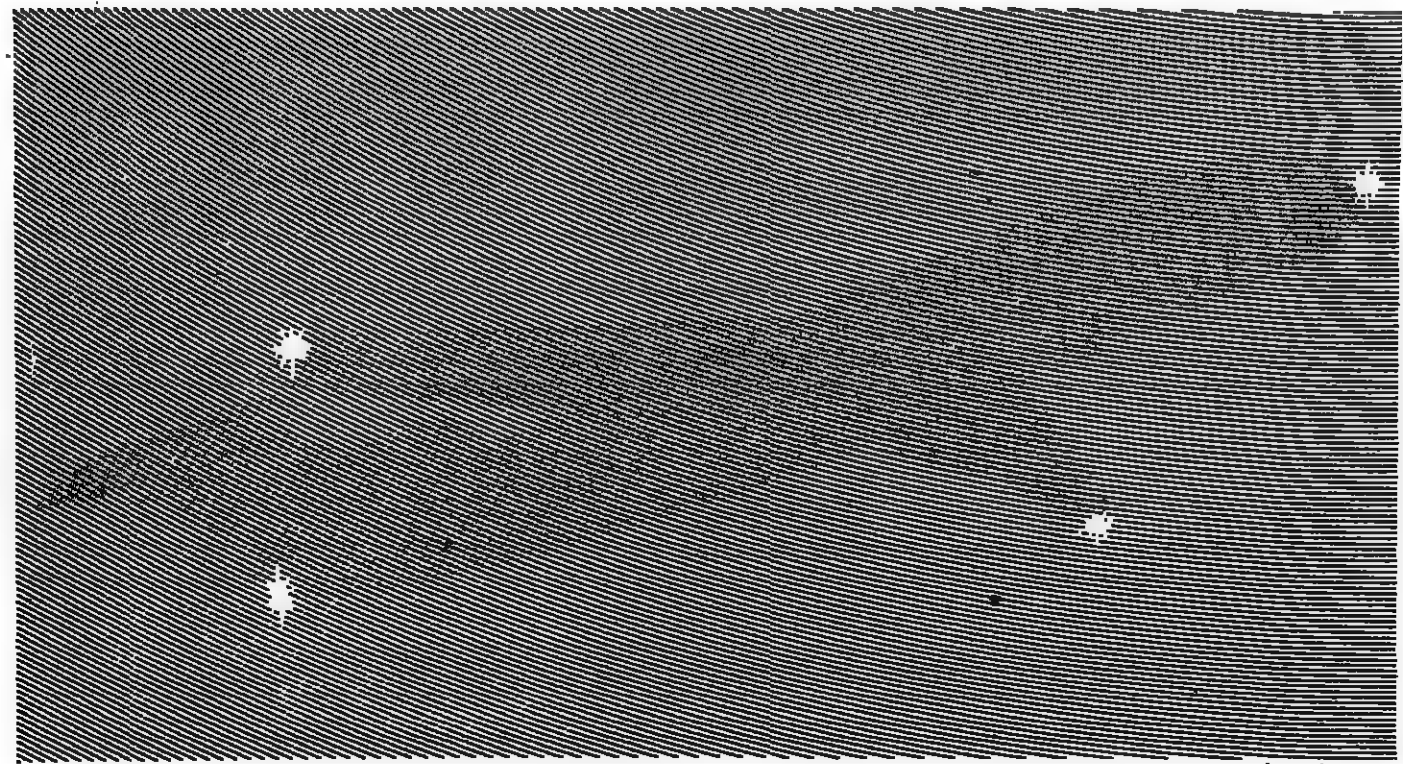
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0.10	£25	0.05	£8

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12.15, 2.15, 4.15, 6.15, 8.15, 10.15	12.15, 2.15, 4.15, 6.15, 8.15, 10.15
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Kriter still hopes to beat record

0-4%	—	—	—	—	—	—	—
5-9%	8	12	11	11	7	—	12
10-14%	23	30	27	18	34	13	10
15-19%	38	28	22	25	58	78	43
20-24%	7	6	10	14	—	9	6
25-29%	6	6	9	6	—	—	—
30%+	—	—	—	2	—	—	—
Same	1	1	1	1	—	—	—
Decrease	—	—	—	7	—	—	—
No answer	17	17	20	16	—	—	29

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New Tory attack aims at election this year

BY RICHARD EVANS, LOBBY CORRESPONDENT

MRS. MARGARET THATCHER, Leader of the Opposition, yesterday launched a Conservative campaign of more aggressive tactics against the Government in an attempt to force a general election later this year.

Until recently many Conservatives have dreaded the prospect of an early election because of the disruption caused by the change in party leadership last February. Now there is likely to be a greater show of opposition, with the Government entering a period of increased vulnerability.

Mrs. Thatcher declared in a BBC radio interview that she wanted to bring the Government down as soon as she could. "Of course I want to be Prime Minister... and 1976 would be a tremendous year for it," she added.

In Mrs. Thatcher's view the longer the present economic policies continue the more difficult it would be for an incoming Government to make the structural changes that were necessary. "The sooner we can get at it and get things on a sounder footing the better."

But despite Mrs. Thatcher's enthusiasm the prospect of an early election remains remote. It will be difficult for Opposition parties to join forces to bring about a significant Government defeat.

Even so, the prospect of grave difficulties for the Government over public spending cuts, continuing high unemployment, and talks with the trade unions over the continuation of the prices

Anxiety

These results, together with the by-election to replace the late Mr. Maurice Edelman at Coventry North West, where a swing of 10.1 per cent. would give the Tories victory, will be significant pointers.

Although Mrs. Thatcher has undoubtedly established herself as Tory leader there were further signs at the week-end of anxiety about the direction the party might take under her command.

The Tory Reform Group, formed three months ago by Mr. Peter Walker, Mr. Robert Carr (who recently accepted a life peerage) and Mr. Nicholas Scott from the Left of the party, issued a statement warning that unless the Conservatives broadened their appeal they were

doomed to permanent opposition. The statement, issued as a New Year message to members by Mr. William Sheerman, the group chairman after discussion with his executive, counsels the party leadership not to rely on Labour losing the next election through its own failures, and adds: "The real challenge for the party is that of persuading people it is ready to govern again... it will not win the first-time voters, trade union members, immigrants or others if it becomes one which represents any single class or which wants to perpetuate social divisions in society."

The group believes the party should accept the mixed economy, the fact that the State must play a major role, and abandon its current "doctrinal obsession" with the attitudes of laissez faire liberalism. The warnings are clearly directed at Mrs. Thatcher, whose instincts, it is feared, are to take Conservative attitudes to the right.

Initial official reaction to the group's message was to play down its importance and to point to the widespread view among Tory MPs that Mrs. Thatcher had been sensible to avoid specific policy commitments.

The statement is likely to arouse controversy because of the fundamental tactical question it raises about whether Mrs. Thatcher would be wise to lead the party away from the "middle ground" of consensus politics as advocated by Sir Keith Joseph, who is in charge of party policy and research.

British Communist Party attacks Soviet policy

BY DAVID LASCELLES

THE BRITISH COMMUNIST PARTY last night published sharp criticism of several aspects of Soviet policy, including the handling of Jews and dissidents, and joined other Western parties in restating the aim of achieving Socialism by its own road.

The criticism came in a long article by the party's former leader John Gollan, who retired last year, published in *Marxism Today*, the party theoretical journal.

The main theme of the article is the record of the Brezhnev Government, much of which earns Mr. Gollan's praise. But in a final section, Mr. Gollan says that democracy demands mass participation, and this involves the expression of "varied opinions, differing estimates, solutions and dissenting views."

He then attacks the Soviet practice of prosecuting people for their political views and of failing to provide legal means of expression for other than officially sanctioned opinions.

"Dissent is in itself an aspect of democracy," he writes, adding that a vicious circle develops when a writer is barred from publishing at home and abroad and also runs foul of the law

'Mathematician to be freed'

THE dissident Soviet mathematician Leonid Plyushch will be released to-day from the psychiatric hospital in Dnepropetrovsk where he has been held for more than two years, a friend of his family said yesterday.

Speaking by telephone to Moscow from Kiev, the Ukrainian capital, a dissident, Tatyana Khodorovitch said the Kiev visa author-

ities had told Mrs. Tatyana Plyushch to collect her husband from Dnepropetrovsk before emigrating.

Mr. Plyushch, 43, was arrested in 1972 on charges of anti-Soviet agitation and propaganda and committed to a psychiatric hospital the following year. His wife has said that he was treated there with debilitating drugs.

Gold sale may divide IMF membership

BY GUY DE JONQUIERES AND JUREK MARTIN

FINANCE MINISTERS from 30 countries met in Kingston, Jamaica, this week for talks at which they hope to put the finishing touches to a package of international monetary reforms. These would include arrangements for sale by the International Monetary Fund of part of its gold holdings, and establishment of a special fund to assist developing countries running balance-of-payments deficits.

The agenda for the talks, which also calls for formal approval of a 33 per cent. increase in member-countries' IMF quotas, is the fruit of a series of international meetings held in the past two years. Though a number of significant questions remain to be settled, many of the participants have expressed the hope that final agreement can be reached in Kingston.

Arrangements

The precise arrangements for the disposal of the IMF's gold and the probable date of the first sale have not been announced. But at the last meeting of the Group of Ten in Paris before Christmas, it was agreed that the Bank for International Settlements in Basle could purchase some of the gold at competitive public auctions.

Though the BIS might subsequently resell this gold to Central Banks (which would not be permitted to buy it directly from the IMF Trust Fund) American officials are strongly insistent that the BIS would make its purchases for its own account, and not as the appointed agent of Central Banks.

The U.S. is also expected to argue that world economic growth will proceed rapidly enough this year to make additional international credit arrangements unnecessary. But in view of the prevailing doubts about the strength of the American recovery, the U.S. assertions may be scrutinised rather closely at the companion meeting of the Group of Ten in Kingston this week.

Whether the U.S. will actually come under renewed pressure at Kingston to stimulate its economy further remains to be seen. But some European officials in view is that the planned trust fund, together with enlarged IMF quotas and the recently announced enlargement in commodity reserves, will provide adequate credit for the developing coun-

Chrysler unions bid to save more jobs

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

JOINT TALKS at plant level with Chrysler management starts to-morrow to see how the £162m. rescue plan involving 8,300 redundancies—agreed in principle by the unions after a six-hour meeting at Coventry on Saturday—can be put into operation.

The agreement, accepted only after the company said it did not have enough cash to properly restructure, was a necessary precondition for the Government would loosen the purse-strings.

The first instalment is expected to be paid almost immediately after Chrysler Corporation, its U.K. subsidiary, and the Government sign formal documents to-day designed to save 17,000 out of 25,000 jobs.

All the plants have been on strike for several weeks and the Ryton Avenger plant at Coventry last worked in November.

Workers at these plants will be recalled progressively—the Stok (Coventry) engine plant next Monday, Linwood (Scotland) the day after, and Ryton in two weeks' time.

But for most of the 8,300 employees to become redundant, the recall will be only temporary. Some 5,500 are due to go by February 2, and the remainder by the end of June. The only concession for the union leaders after many hours of negotiations was voluntary in place of compulsory redundancy. This finally won the reluctant assent of the

Continued from Page 1

Steel

At BSC's Port Talbot plant, also in South Wales, a total of some 1,200 workers in the cold rolling mill walked out on strike when 200 were sent home yesterday morning. They meet to-day to decide whether to remain out.

There were no real problems at the corporation's Corby, Northants, plant where all 400 affected by the week-end shift cuts were redeployed. Nor were there any at BSC plants in Scotland, Teesside and Sheffield which only resume production to-day after the New Year holiday.

On the other hand, the reduction of reported profits is likely to reduce the mainstream liability to corporation tax and reduction of dividend payments will reduce liability to ACT.

THE LEX COLUMN

Trading down in life assurance

The insurance sector was a surprisingly limited buyer of equities for much of 1975—life companies purchasing only £78m. net in the first half against £499m. of gilts—and one explanation may be the changing premium pattern indicated by the current series of new business figures. There is certainly no evidence of public disenchantment with life assurance as such: after results from half the public companies and several mutuals there is an overall increase in new premiums of nearly a quarter.

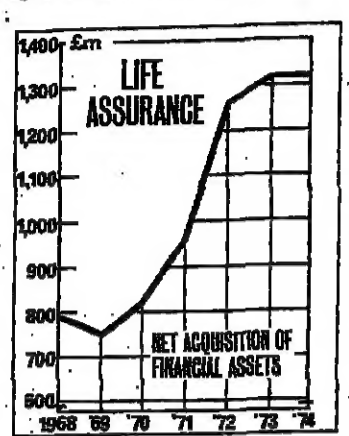
But there are definite signs of trading down with a larger growth in new sums assured—an average of 31 per cent. so far—than in premium income, in contrast to 1974 when the two went hand in hand. This suggests that there has been some movement away from full premium and endowment assurance to term and whole life business. A leaning towards an increased proportion of higher sum assured/lower premium and shorter length business is noted, for example, by the Pru where new sums assured rose by 38 per cent. last year and total new premiums increased by a quarter.

Fluctuations in single premium business can distort the figures—and there are exceptions such as Sun Life—but the trend is pretty general so far and is likely to continue during the recession. Although this is only a shift in emphasis, the implications for the equity market since a different spread of liabilities of a shorter term suggests that a greater proportion of new investments will be in fixed interest securities with less in risk holdings such as equities and property. Of course the overall cash inflow available for investment is still rising strongly.

The meaning of this shift in business mix for long-term profitability will not be apparent for some time, but most of the companies face the problem that even a growth of nearly a quarter in overall new premiums of any type is insufficient to offset inflation on existing business, so that expense ratios have deteriorated further. This applies particularly to the labour intensive industrial side where premium growth has anywhere been below average at, for

example, the Pearl, London and Manchester and the Pru.

Moreover, growth in one previously fast growing area—new annual premiums from pension contracts—seems to have come to a temporary halt to judge by the negligible increase reported by the Pru. This is because of



the uncertainties created for private employers by the Government's pension policy and the main new business here has come from current contracts, with the rise in new single premium pension business reflecting increases for existing pensioners.

Bid forecasts

It is not totally clear why Croda International released six month profit figures for its subsidiary Midland-Yorkshire. But one can guess. At the height of last year's bid battle, Midland forecast profits of around £3.2m. before tax for 1975-76: half-way through the year the group has only managed to produce £240,000 against £1.2m. a year earlier. That implies red faces both at Midland and Hill Samuel who last April reckoned the profit assumptions said by Croda at the time to be "very optimistic"—had been made "after due and careful inquiry."

It was the second quarter (to September) that apparently let Midland down with sales of anti-oxidants falling short of budget by over 50 per cent. in some areas. Croda paid some £8.1m. cash for Midland and the annual financing cost of that is about £1m.

Ranks Hovis

There is nothing in the Ranks Hovis accounts to suggest a reversal of the marked share

price weakness seen over past month. The balance sheet remains substantial: the improvement of £18m. net liquid funds shown by source and use table is £21m. more than the year's rights issue proceeds. Borrowings of £93.2m. are less than tangible shareholdings: but only just, and depreciation and retained assets fall short of net added to fixed assets despite year's sharp profits record. The pre-interest return on capital employed edged up last year but this was a nearly an eighth short of 1973's 18.1 per cent.

Volume and price trends of course, what matters most companies like RHM, and the group has nothing new add. The expectation of an increase in profits this year remains: but the shares have been totally ignored by latest market rally, and at 50 per cent. more than average for industrial stocks

Capital Markets

The City Capital Markets Committee, judging by its comments on the Sandilands Report, finds itself in something of a quandary. On the one hand, the Committee wishes to see a revised version of Sandilands introduced with the minimum of delay. On the other it fears that many companies, by ill-strating their "real" financial position, will restrict their access to the capital markets. It is obvious if rather optimistic solution is that price controls should be relaxed to allow companies, where possible, restore adequate profitability.

But there is something disturbing about this argument for it suggests that the Committee is not concerned about the fact that some companies at present have access to a capital market when they are not profitable enough to justify it. This follows logically if, as believes, as the Committee does that stock market shares price have not yet fully discounted inflation accounting. Perhaps the Committee should have recommended, for the sake of investors, that inflation adjustments should from now become required information a time of new issue.

RBC raises Roymarine stake

MONTREAL, Jan. 4
THE ROYAL BANK of Canada said it has increased its interest in Roymarine Leasing, a Montreal-based financial company, to 50 per cent. from 25 per cent.

Royal Bank said it acquired the additional interest from Marine Midland Bank, New York. Marine Midland now holds a 50 per cent. interest in Roymarine which provides various types of large-scale equipment financing and related financial and consulting services in Canada and internationally.

Eggs Authority to subsidise hen slaughter

UP TO 300,000 hens, whose eggs do not pay for their keep since last week's fall of 7p or 8p a dozen in egg prices, are to be slaughtered with the aid of a special subsidy from the Eggs Authority.

The post-Christmas price fall was due to a glut of eggs over the holiday. It meant that many farmers were producing eggs at a loss, so poultry meat processing plants are now overloaded with hens from farmers seeking to cut production.

SNOW REPORTS

Depth	State	Weather
10	U	Fair
20	U	Fair
30	U	Fair
40	U	Fair
50	U	Fair
60	U	Fair
70	U	Fair
80	U	Fair
90	U	Fair
100	U	Fair
110	U	Fair
120	U	Fair
130	U	Fair
140	U	Fair
150	U	Fair
160	U	Fair
170	U	Fair
180	U	Fair
190	U	Fair
200	U	Fair

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Top economist attacks level of trade union leadership

BY ANTHONY HARRIS

IN A SHARP attack on British trade union and industrial leadership, which he describes as "feeble and stupid," Lord Kahn, senior among the Cambridge followers of the late Lord Keynes, suggests that only a successful incomes policy can create conditions for growth. He adds that it would be greatly assisted if trade union officials were encouraged to divert their energies into "some activity alternative to wage negotiations" so that they could be seen to be earning their salaries.

Writing in the *Lloyds Bank Review*, Lord Kahn argues that competition between the leaders of "far too many" unions—and between union officials and shop stewards—has been to create a "vicious wage-spiral" of leaping claims, which have undermined business confidence and forced Governments into increasingly restrictive economic policies.

"Our central employer (CBI) and trade union (TUC) organisations are very feeble

bodies, and the men who run them are sadly lacking in intelligence," says Lord Kahn, contrasting them unfavourably with their opposite numbers in Scandinavia and Austria—and in Italy, where Communist belief in discipline "ensures a sane approach."

"One serious aspect of the astonishing stupidity of our trade union leaders, and of our official labour leaders, is their complete failure to take a long-sighted view," says Lord Kahn.

"Their sole concern is with the level of real wages in the immediate future, as opposed to the rate of increase of the real wage."

West Germany provides the best example of trade union leaders who are long-sighted and who, as a result of the modesty of the size of their claims for wage increases have produced an economic climate conducive to investment and growth.

Lord Kahn argues that the poor British productivity record—largely the result of excessive

wage pressure and disputes—has disappointed expectations and increased militancy.

He fears that the £6 limit may in some ways make matters worse because it has sharply compressed differentials, and the struggle over differentials is the heart of the problem. The Government, he concludes, faces a delicate situation: if wage restraint breaks down, there will be no alternative to the "deplorable" policy of allowing recession to impose restraint; but unless the Chancellor makes timely concessions designed to reduce unemployment, restraint may collapse.

Lord Kahn adds that the public sector should not be allowed to expand to absorb labour: a pool of labour is required if the private sector is to expand. This is not, however, an argument against tax concessions which can easily be withdrawn as the recovery gets under way. There is, he argues, no clear causal link between the Government deficit and the rate of inflation.

'Inflation accounting will bring hardship'

BY MICHAEL LAFFERTY, CITY STAFF

IMPLEMENTATION OF the Sandilands Report on inflation accounting is likely to cause difficulties and some hardship, says a statement on the report by the influential City Capital Markets Committee.

This would particularly affect institutional shareholders who, mainly require income, and who probably account for almost half all equity investment, it says. Smaller individual shareholders who rely on dividends for their livelihood would also be hit.

The committee was set up by the Governor of the Bank of England 18 months ago to speak for the capital markets.

It broadly accepts the Sandilands Report as a major contribution to inflation accounting,

and calls on the Inflation Accounting Steering Group, the membership of which, under the chairmanship of Mr. Douglas Morphet, is to be announced tomorrow, to implement a new comprehensive accounting standard with the minimum of delay.

But the committee says that "major dividend reductions" and "painful reappraisals" of the market-worth of some companies are among the many implications of the new inflation accounting system.

"These are the inevitable consequences of removing distortions from the present system of financial reporting which, under inflationary conditions, tend to mislead management in their pricing, investment and

dividend decisions and create a false basis for tax assessment," the statement says.

Where companies find their reported distributable profits much reduced under the inflation accounting system, the committee believes "there may tend to be a fall in the market valuation of their shares." Although some element of discounting has probably already taken place, the committee finds it "impossible to contend that a company which showed £50m. of profits under the historical basis of accounting and will, on constant performance, show £10m. of profits under the new, will not suffer a substantial de-rating of its share price."

"Unless adequate steps can be

taken to restore profitability such companies will, by so illustrating their 'real' financial position, have restricted their access to the capital market for future years, and investment programmes and competitiveness will be reduced."

When the system is in force, the statement says, bankers and other suppliers of credit are likely to adopt more conservative criteria towards companies whose historical cost profits may be reduced or even eliminated.

On the other hand, "the reduction of reported profits is likely to reduce the mainstream liability to corporation tax and reduction of dividend payments will reduce liability to ACT."